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

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 001-41634

HUB Cyber Security Ltd.
(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

State of Israel
(Jurisdiction of incorporation or organization)

2 Kaplan St.
Tel Aviv, Israel 6473403
(Address of principal executive offices)

Noah Hershcoviz
Chief Executive Officer
+972-3-791-3200

HUB Cyber Security Ltd.
2 Kaplan St.
Tel Aviv, Israel 6473403
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered, pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, no par value	HUBC	Nasdaq Stock Market LLC
Warrants to purchase ordinary shares	HUBCW	Nasdaq Stock Market LLC
Warrants to purchase ordinary shares	HUBCZ	Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of the period covered by the annual report. As of December 31, 2023, the registrant had 11,938,363 ordinary shares outstanding, no par value. As of August 13, 2024, the registrant had 30,459,736 ordinary shares outstanding, no par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	**Accelerated filer**	☐
Non-accelerated filer	☒	**Emerging growth company**	☒

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☐ **U.S. GAAP**	☒	**International Financial Reporting Standards as issued by the International Accounting Standards Board**	☐	**Other**

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated in this Annual Report, the terms "HUB Cyber Security Ltd.,", "HUB," the "Company," "we," "us," "our," "our company" and "our business" refer to HUB Cyber Security Ltd. and its subsidiaries.

All references in this Annual Report to "Business Combination" refer to the transactions effected under the merger agreement, dated as of March 23, 2022 (the "Merger Agreement"), by and among Mount Rainier Acquisition Corp., a Delaware corporation ("RNER"), HUB and Rover Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of HUB ("Merger Sub"). Pursuant to the Merger Agreement, Merger Sub merged with and into RNER, with RNER surviving the merger. Upon consummation of the Business Combination and the other transactions contemplated by the Merger Agreement on February 28, 2023, RNER became a wholly owned subsidiary of HUB.

All references in this Annual Report to "Israeli currency" and "NIS" refer to New Israeli Shekels, the terms "dollar," "USD" or "$" refer to U.S. dollars and the terms "€" or "euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

All information in this Annual Report on Form 20-F relating to shares or price per share reflects the 1-for-10 reverse share split effected by us on December 14, 2023.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS"). We present our consolidated financial statements in U.S. dollars.

Our fiscal year ends on December 31 of each year. References to fiscal 2021 and 2021 are references to the fiscal year ended December 31, 2021, references to fiscal 2022 and 2022 are references to the fiscal year ended December 31, 2022, and references to fiscal 2023 and 2023 are references to the fiscal year ended December 31, 2023.

Market and Industry Data

Unless otherwise indicated, information contained in this Annual Report concerning our industry and the regions in which we operate, including our general expectations and market position, market opportunity, market share and other management estimates, is based on information obtained from various independent publicly available sources and other industry publications, surveys and forecasts, which we believe to be reliable based upon our management's knowledge of the industry. We assume liability for the accuracy and completeness of such information to the extent included in this Annual Report. Such assumptions and estimates of our future performance and growth objectives and the future performance of our industry and the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those discussed under the headings "*Cautionary Statement Regarding Forward-Looking Statements"* Item 3.D. *"Key Information—Risk Factors*" and Item 5. "*Operating and Financial Review and Prospects*" in this Annual Report.

Certain monetary amounts, percentages and other figures included in this Annual Report have been subject to rounding adjustments. Certain other amounts that appear in this Annual Report may not sum due to rounding. Revenue shown throughout this Annual Report is revenue from continuing operations, unless otherwise stated.

Unless otherwise noted, in this Annual Report we cite a source the first time a statement relying upon that source is made, and do not include citations subsequently when that statement is repeated.

Trademarks

This Annual Report contains references to trademarks, trade names and service marks belonging to other entities. Solely for convenience, trademarks, trade names and service marks referred to in this Annual Report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that the applicable licensor will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical facts, this Annual Report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are principally contained in the sections entitled Item 3.D. "Key Information—Risk Factors," Item 4. "Information on the Company," and Item 5. "Operating and Financial Review and Prospects." In some cases, these forward-looking statements can be identified by words or phrases such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or similar words. Statements regarding our future results of operations and financial position, growth strategy and plans and objectives of management for future operations, including, among others, expansion in new and existing markets, are forward-looking statements.

Forward-looking statements involve a number of risks, including potential impairments, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- Our previously disclosed internal investigation was initiated to review allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As a result of or in connection with the matters that were the subject of the investigation, we may become subject to certain regulatory scrutiny, which could have a material adverse effect on our business, financial condition and results of operation.

- We are a company with a history of net losses and anticipate that we may incur net losses for the foreseeable future. Moreover, our independent registered public accounting firm's report, contained herein, includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a going concern, indicating the possibility that we may not be able to continue to operate in the future.

- We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or we fail to develop and maintain effective internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

- The circumstances that led to the failure to file our Annual Report on time, and our efforts to assess and remediate those matters have caused and may continue to cause substantial delays in our SEC filings.

- We are not currently in compliance with the continued listing standards of Nasdaq and our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our securities.

- We have financed our operations and certain capital needs through various debt, convertible debt and equity issuances. Our existing and future debt obligations could impair our liquidity and financial condition. We are currently in default under certain of our debt obligations. If we are unable to negotiate a solution for the payment of our outstanding debt or otherwise meet our debt obligations, the lenders could foreclose on our assets which could cause us to curtail or cease operations or have an adverse impact on our business, results of operations and financial condition and the price of our ordinary shares**.**

- We need to raise additional funds in the near future in order to execute our business plan and these funds may not be available to us when we need them. If we cannot raise additional funds when we need them, our business, prospects, financial condition and operating results could be negatively affected.

- An inability to attract new customers, retain existing customers and sell additional services to customers could adversely impact our revenue and results of operations.

- The termination of, or material changes to, our relationships with key vendors and customers could materially adversely affect our business, financial condition and operating results, which could be exacerbated due to our reliance on a small number of vendors for a significant portion of our distribution and offerings in our Professional Services division.

- Actions that we have taken to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.

- Our limited operating history in the fields of secured data fabric and confidential computing makes it difficult to evaluate our business and future prospects and increases the risk of your investment.

- The network security market is rapidly evolving within the increasingly challenging cyber threat landscape. If our solutions fail to adapt to market changes and demands, sales may not continue to grow or may decline.

- Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.

- Our ability to introduce new products, features, integrations and enhancements is dependent on adequate research and development resources.
- We currently have and target many customers that are large corporations and government entities, which are subject to a number of challenges and risks, such as increased competitive pressures, administrative delays and additional approval requirements.
- We may not be able to convert our customer orders in backlog or pipeline into revenue.
- A shortage of components or manufacturing capacity could cause a delay in our ability to fulfill orders or increase our manufacturing costs.
- Our management team has limited experience managing a U.S. listed public company.
- Our business relies on the performance of, and we face stark competition for, highly skilled personnel, including our management, other key employees and qualified employees, and the loss of one or more of such personnel or of a significant number of our team members or the inability to attract and retain executives and qualified employees we need to support our operations and growth, could harm our business.
- Changes in tax laws or exposure to additional income tax liabilities could affect our future net profitability.
- As a cybersecurity provider, if any of our systems, our customers' cloud or on-premises environments, or our internal systems are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our business may be harmed, and we may lose business and incur losses or liabilities.
- Undetected defects and errors may increase our costs and impair the market acceptance of our products and solutions.
- We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products or technology. Our efforts to protect and enforce our intellectual property rights and prevent third parties from violating our rights may be costly.
- The dynamic regulatory environment around privacy and data protection may limit our offering or require modification of our products and services, which could limit our ability to attract new customers and support our existing customers and increase our operational expenses. We could also be subject to investigations, litigation, or enforcement actions alleging that we fail to comply with the regulatory requirements, which could harm our operating results and adversely affect our business.
- Our actual or perceived failure to adequately protect personal data could subject us to sanctions and damages and could harm our reputation and business.
- We may be required to indemnify our directors and officers in certain circumstances.
- A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities.
- We are subject to a number of securities class actions and other litigations and could be subject to additional litigation in the United States, Israel or elsewhere that could negatively impact our business, including resulting in substantial costs and liabilities.
- Class action litigation due to stock price volatility or other factors could cause us to incur substantial costs and divert management's attention and resources.
- If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

- Provisions of Israeli law and our articles of association may delay, prevent or make difficult an acquisition of us, prevent a change of control, and negatively impact our share price.

- Our ordinary shares and warrants may not continue to be listed on a national securities exchange, which could limit investors' ability to make transactions in such securities and subject us to additional trading restrictions.

- If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our ordinary shares adversely, then the price and trading volume of our ordinary shares could decline.

- As we are a "foreign private issuer" and intend to follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

- The listing of our securities on Nasdaq did not benefit from the process undertaken in connection with an underwritten initial public offering, which could result in diminished investor demand, inefficiencies in pricing and a more volatile public price for our securities.

- Conditions in Israel, including the current war between Israel and Hamas, could materially and adversely affect our business.

- It may be difficult to enforce a U.S. judgment against us, our officers and directors and the Israeli experts named in this Annual Report in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors and these experts.

- We may issue additional ordinary shares or other equity securities without seeking approval of our shareholders, which would dilute the ownership interests represented by our ordinary shares and may depress the market price of our ordinary shares.

Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends which affect or may affect our business, operations and industry. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties.

These forward-looking statements are subject to a number of known and unknown risks, uncertainties, other factors and assumptions, including the risks described in Item 3.D "Key Information—Risk Factors" and elsewhere in this Annual Report.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk factors" and elsewhere in this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. We qualify all of our estimates and forward-looking statements by these cautionary statements.

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved.]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report. See "Cautionary Statement Regarding Forward-Looking Statements" on page iv of this Annual Report. Such risks include, but are not limited to:

Risks Relating to the Internal Investigation, Our Ability to Continue as a Going Concern, Our Internal Controls and Related Matters

Our previously disclosed internal investigation was initiated to review allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As a result of or in connection with the matters that were the subject of the investigation, we may become subject to certain regulatory scrutiny. We are unable to predict the effectiveness of any remediation measures recommended by the Special Committee. In addition, we have incurred and may continue to incur substantial costs in connection with the internal investigation, which could have a material adverse effect on our business, financial condition and results of operations.

As previously disclosed in our Report on Form 6-K on April 20, 2023, our board of directors appointed a Special Committee of Independent Directors (the "Special Committee") to oversee an internal investigation (the "Internal Investigation") in order to review certain allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of ours. During the course of the Internal Investigation, the Special Committee, together with its outside advisers, believed that it found sufficient evidence to support a determination that Mr. Eyal Moshe, our former Chief Executive Officer and President of U.S. operations and former member of the board of directors, and Ms. Ayelet Bitan, our former Chief of Staff and wife of Mr. Moshe, misappropriated (from a Company bank account over which Mr. Moshe had sole signatory rights) a total of approximately NIS 2 million (approximately $582,000) for personal use. Further, in certain instances, evidence reviewed by the Special Committee demonstrated that Mr. Moshe authorized payments to contractors without either (i) proper documentation and signatory approval; or (ii) required budget and expense reports. The employment of Eyal Moshe, was terminated effective July 24, 2023 for cause and Mr. Moshe resigned from our board on August 15, 2023. Additionally we commenced two legal actions in Israel against Ms. Bitan and against Mr. Moshe to dispute their requests for severance payments in accordance with Israeli law in connection with these determinations by the Special Committee.

Additionally, the Special Committee believed that it found sufficient evidence to determine that, one of our controllers, with the permission of Mr. Moshe, used Company credit cards for personal use in the amount of approximately NIS 400,000 (approximately $110,000). These personal expenses were neither factored into the controller's payroll nor properly documented in our financial books and records. Additionally, Mr. Moshe approved a bonus of NIS 250,000 to the controller. However, this bonus was not paid to the controller but instead was paid to a third-party at the controller's direction. Prior to the commencement of legal proceedings, we reached a settlement with the controller whereby the amount of the bonus in the amount of NIS 250,000 plus VAT was repaid to us and all his options and RSUs were cancelled.

The Internal Investigation is complete, although we continue to pursue recovery of the misappropriated funds. These events regarding the Special Committee and Internal Investigation are the subject of possible regulatory review and expose us and our directors and officers to possible investigations and possible enforcement actions by regulators both in Israel and the United States, including the Israel Securities Authority ("ISA"), Israel Tax Authority, U.S. Securities and Exchange Commission ("SEC"), the Nasdaq Stock Market LLC ("Nasdaq") and/or U.S. Department of Justice ("DOJ"). We have provided certain information and documentation to certain regulatory authorities and is prepared to respond to any regulatory inquiry it may receive. Our management and our board of directors do not currently believe there are any impacts on our financial statements. If we were to be subject to an investigation or enforcement action from a regulatory agency it could have a material adverse effect on our business, financial position and results of operations.

If any federal authorities were to ultimately determine that we violated any laws or regulations, we may be exposed to a broad range of civil and criminal sanctions including, but not limited to, injunctive relief, disgorgement, fines, penalties, modifications to business practices including the termination or modification of existing business relationships, the imposition of compliance programs and the retention of a monitor to oversee future compliance by us, which could be costly and burdensome to our management, and could adversely impact our business, prospects, reputation, financial condition, liquidity, results of operations or cash flows. Even if an inquiry or investigation does not result in any adverse determinations, it potentially could create negative publicity and give rise to third-party litigation or other actions, which could also have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Special Committee is neither a civil nor a criminal a court of law and no court has yet substantiated the findings of the Special Committee. It is possible that a court of law may find differently than the Special Committee has, which could expose us to counterclaims from Mr. Moshe, Ms. Bitan or others. Additionally, while we have informed Mr. Moshe that he has been summarily dismissed as an employee, Mr. Moshe resigned from our board of directors.

We have commenced legal actions in Israel against Ms. Bitan and against Mr. Moshe to dispute their requests for severance payments in accordance with Israeli law. Two actions were undertaken against Ms. Bitan. In the initial action, the court granted an injunction preventing her from accessing her accumulated severance package. In the second action, it was requested that the court order that these sums be returned to the Company. In the action against Mr. Moshe, the court was requested to grant an injunction against accessing the accumulated severance package and to order the return of the sums to us. These actions are time limited, so the initial action against Ms. Bitan was initiated prior to the completion of the Special Committee Report and as such was based upon the limited information known at that time. The preliminary hearing in both of these cases is set for the coming months and both will be heard in front of the same judge who granted the injunction against Ms. Bitan. For further details please refer to Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Legal and Arbitration Proceedings" below.

There can be no assurance that Mr. Moshe, Ms. Bitan or others will not bring forth any claims or commence any litigation against us in connection with Mr. Moshe's dismissal, his resignation from the board, our challenging Ms. Bitan's severance payments or the publication of the Special Committee's findings from the Internal Investigation.

Further, we incurred substantial costs and diverted management resources in connection with the Internal Investigation, and the Internal Investigation itself caused us to fail to timely file our Annual Reports on Form 20-F for the fiscal years ended December 31, 2022 and 2023 with the SEC. We may also incur material costs associated with our indemnification arrangements with our current and former directors and certain of our officers, as well as other indemnitees related to law suits or regulatory proceedings that have arisen and may arise in the future from the Internal Investigation.

Our reported material weaknesses in internal control over financial reporting subjects us to additional litigation and regulatory examinations, investigations, proceedings or court orders, including additional cease and desist orders, the suspension of trading of our securities, delisting of our securities, the assessment of civil monetary penalties and other equitable remedies. In addition, the remediation of the material weaknesses (set forth below in Item 15. "Controls and Procedures") will require us to incur additional costs and to divert management resources in the upcoming periods, which could adversely affect our business, financial condition, results of operations, and growth prospects.

We are a company with a history of net losses and anticipate that we may incur net losses for the foreseeable future and may never be profitable. Moreover, our independent registered public accounting firm's report, contained herein, includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a going concern, indicating the possibility that we may not be able to continue to operate in the future.

We have incurred net losses in each year since our inception, including net losses of $86.6 million, $80.0 million and $13.4 million in the years ended December 31, 2023, 2022, and 2021, respectively. In addition, we may continue to incur net losses for the foreseeable future, and we may not achieve or maintain profitability in the future. Because the market for our network security solutions and products is rapidly evolving and has not yet reached widespread adoption, it is difficult for us to predict our future results of operations or the limits of our market opportunity. We cannot be certain when, if ever, we will become profitable. Even if we were to become profitable, we might not be able to sustain such profitability on a quarterly or annual basis.

Primarily because of our losses incurred to date, our expected continued future losses, our default on existing debt facilities and limited cash balances, our independent registered public accounting firm has included in its report an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. We are generating negative cash flow, requiring constant and immediate cash injections to continue to operate, failing to meet obligations as they become due, including financial, suppliers debts and other ordinary course of operations costs. In addition, and as a result of our ongoing operating losses, we had outstanding liabilities that could not be met by our revenues, including payments due to our debt holders, vendors and service providers, and since May 2024, we have been unable to make required deposits in employee pension and severance funds or to pay required withholding taxes on employee compensation payment. We are currently negotiating with our debt holders with whom we are currently in default to extend the term of their notes or to convert the same into our ordinary shares. In addition, we are currently negotiating with Comsec creditors to achieve with them debt arrangement in light of two applications that were submitted to court to declare the Company and Comsec as insolvent. For more information about those application please refer to Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Legal and Arbitration Proceedings" below. Our ability to continue as a going concern is contingent upon, among other factors, the sale of ordinary shares to obtain additional funding to support our operations and/or obtaining alternate financing and the ability to cure our outstanding defaults or that these obligations may be negotiated on terms that are favorable to us, if at all. Management currently believes that it will be necessary for us to secure additional funds to continue our existing business operations and to fund our obligations We have raised and will continue to seek to raise additional funds during 2024 through a variety of equity and/or debt financing arrangements; however, there can be no assurance that we will be able to obtain funds on commercially acceptable terms, if at all. If we cannot generate sufficient revenues, reduce cost and/or secure additional financing on acceptable terms, we may be required to, among other things, alter our business strategy, significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. See "*—We will be required to raise additional funds in the near future in order to execute our business plan and these funds may not be available to us when we need them. If we cannot raise additional funds when we need them, our business, prospects, financial condition and operating results could be negatively affected*" below for additional information.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or we fail to develop and maintain effective internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

As described above, we appointed the Special Committee to oversee an internal investigation related to alleged misappropriation of Company funds and other potentially fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As such, when preparing the financial statements that are included in this Annual Report, our management determined that we have material weaknesses in our internal control over financial reporting as of December 31, 2023 and 2022, which had not been remedied as of December 31, 2023. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weaknesses as of December 31, 2023 identified include, but are not limited to:

- Lack of sufficient number of personnel with an appropriate level of knowledge and experience in accounting for complex or non-routine transactions;
- The fact that our policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed, not properly put in place or not operating effectively;
- Deficiencies in the design and operations of the procedures relating to the timely closing of financial books at the quarter and fiscal year end;
- Insufficient oversight of certain signatory rights relating to our financial accounts;
- Ineffective design and implementation of Information Technology General Controls ("ITGC"). The Company's ITGC deficiencies included improperly designed controls pertaining to change management and user access rights over systems that are critical to the Company's system of financial reporting; and
- Incomplete segregation of duties in certain types of transactions and processes (excluding monetary transactions, where there is a clear distinction between the preparer and the signer vis-a-vis financial institutions).

As a result of the material weaknesses, management has concluded that our internal control over financial reporting was ineffective as of each of December 31, 2023 and 2022.

Under the Companies Law, the board of directors is required to appoint an internal auditor recommended by the audit committee. Our current internal auditor is Joseph Ginossar of Fahn Kanne, an affiliate of Grant Thornton International. The role of the internal auditor is to examine, among other things, whether the company's actions comply with applicable law and proper business procedures. The internal auditor may not be an interested party, a director or an officer of the company, or a relative of any of the foregoing, nor may the internal auditor be our independent accountant or a representative thereof.

Further, there can be no guarantee that the Internal Investigation and subsequent inquiries revealed all instances of inaccurate disclosure or other deficiencies, or that other existing or past inaccuracies or deficiencies will not be revealed in the future. Our failure to correct these deficiencies or our failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ordinary shares and warrants, may be materially adversely affected.

We, together with any additional remediation actions to be suggested by the Special Committee, have taken and will continue to take the following actions to remediate these material weaknesses:

- the hiring of additional accounting and finance resources with public company experience to assist in the expansion and effectiveness of the existing risk assessment, management processes and the design and implementation of controls responsive to those deficiencies;
- broadening the scope and improving the effectiveness of existing ITGC for identity and access management, segregation of duties, change management, data governance and program development;
- the implementation of enhanced corporate policies and practices including with respect to gifts, loans, conflicts of interest and workplace conduct;
- engaging internal and external resources to assist us with remediation and monitoring remediation progress; and
- delivering periodic training to our team members, including but not limited to technology and accounting staff, on the responsibilities of officers and leaders related to workplace conduct and various compliance issues and internal controls over financial reporting.

We cannot assure you the measures we are taking to remediate the material weaknesses will be sufficient or that they will prevent future material weaknesses. Additional material weaknesses or failure to maintain effective internal control over financial reporting could cause us to fail to meet our reporting obligations as a public company and may result in a restatement of our financial statements for prior periods. In addition, these deficiencies could cause investors to lose confidence in our reported financial information, limiting our access to capital markets, adversely affecting our operating results and leading to declines in the trading price of our ordinary shares and warrants.

Our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event our internal controls over financial reporting do not operate effectively. If we are not able to complete our initial assessment of our internal controls and otherwise implement the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal controls over financial reporting. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in its periodic reports that are filed with the SEC. If we are unable to remediate our existing material weaknesses or identify additional material weaknesses and are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting once we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of the financial reports and the market price of our ordinary shares and warrants could be negatively affected, and we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources. For more information regarding these remedial actions and enhancement measures, see "Item 15. Controls and Procedures—Material Weaknesses in Internal Control Over Financial Reporting".

The circumstances that led to the failure to file our Annual Report on time, and our efforts to assess and remediate those matters have caused and may continue to cause substantial delays in our SEC filings.

Our ability to resume a timely filing schedule with respect to our SEC reporting is subject to a number of contingencies, including whether and how quickly we are able to effectively remediate the identified material weaknesses in our internal control over financial reporting. Our filing of our Annual Report has been delayed and we cannot assure you we will be able to timely make our future filings.

In cases where we delay our filings, investors will need to evaluate certain decisions with respect to our ordinary shares and warrants in light of our lack of current financial information. Accordingly, any investment in our ordinary shares and/or warrants may involve a greater degree of risk than other companies who are current on their public filings. Our lack of current public information may have an adverse impact on investor confidence, which could lead to a reduction in our share price or restrictions on our abilities to obtain financing in the public market, among others.

We are not currently in compliance with the continued listing standards of Nasdaq and our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our securities.

If we fail to satisfy the continued listing requirements of Nasdaq such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq will take steps to delist our securities. We did not timely file this Annual Report and the per share price of our ordinary shares has declined below the minimum bid price threshold required for continued listing on Nasdaq. Such a delisting would likely have a negative effect on the price of the securities and would impair shareholders' ability to sell or purchase the securities when they wish to do so as well as adversely affect our ability to issue additional securities and obtain additional financing in the future.

On May 20, 2024, we received a notification letter from the Listing Qualifications Department of Nasdaq stating that we were not in compliance with the requirements of Nasdaq Listing Rule 5250(c)(1) (the "Reporting Rule") as a result of not having timely filed this Annual Report with the SEC. Under the Nasdaq rules, the Company had 60 calendar days, or until July 19, 2024, to file this Annual Report or to submit to Nasdaq a plan to regain compliance with the Nasdaq Listing Rules. On July 19, 2024, we submitted a plan of compliance to achieve and sustain compliance with the Reporting Rule. Following submission of this plan of compliance, Nasdaq has determined to grant an exception to enable us to regain compliance with the aforesaid rule, subject to our filing of the Annual Report with the SEC on or before August 19, 2024.

On July 19, 2024, we submitted a plan of compliance to achieve and sustain compliance with the Reporting Rule. Following submitting this plan of compliance, we received an extension from Nasdaq to file this Report until August 19, 2024.

On July 16, 2024, we received a deficiency notice from Nasdaq informing us that our ordinary shares have failed to comply with the $1.00 minimum bid price required for continued listing under Nasdaq Listing Rule 5450(a)(1) (the "Minimum Bid Price Requirement") based upon the closing bid price of our ordinary shares for the 30 consecutive business days prior to the date of the deficiency notice. The Deficiency notice did not result in the immediate delisting of our ordinary shares from Nasdaq. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were given 180 calendar days from, or until January 13, 2025, to regain compliance with the Minimum Bid Price Requirement. If at any time before January 13, 2025, the bid price of our ordinary shares closes at $1.00 per share or more for a minimum of 10 consecutive business days, then Nasdaq will provide written confirmation that we have regained compliance.

Furthermore, we expect to receive a further deficiency notice from Nasdaq following the filing of this Annual Report due to our failure to meet the financial standards for continued listing on the Nasdaq Global Market.

In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the Minimum Bid Price Requirement or prevent future non-compliance with Nasdaq's listing requirements. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of HUB's securities may be more limited than if it were quoted or listed on Nasdaq or another national securities exchange as the liquidity that Nasdaq provides would no longer be available to investors. Shareholders may be unable to sell their securities unless a market can be established or sustained, and we could face a lengthy process to re-list the ordinary shares, if at all.

We have previously financed our operations and certain capital needs through various debt, convertible debt and equity issuances. Our existing and future debt obligations could impair our liquidity and financial condition. We are currently in default under certain of our debt obligations. If we are unable to negotiate a solution for the payment of our outstanding debt or otherwise meet our debt obligations, the lenders could foreclose on our assets which could cause us to curtail or cease operations or have an adverse impact on our business, results of operations and financial condition and the price of our ordinary shares.

We are currently in default under certain of our debt and convertible obligations totaling approximately $82 million in debt (the "Outstanding Debt"). Upon an event of default under the Outstanding Debt, the holders of such debt may exercise all rights and remedies available under the terms of the notes or applicable laws. Some of the Outstanding Debt is payable through conversion into our ordinary shares, but we currently are unable to make such payments in ordinary shares due to our failure to timely file our Annual Report, our failure to register the ordinary shares issuable upon conversion and the current trading price of our ordinary shares.

We are currently in discussions with holders of the Outstanding Debt regarding possible solutions for the payment of the Outstanding Debt, including the possible extension of the outstanding obligations and, in some cases, maturity date of the Outstanding Debt. However, there can be no assurance that our discussions will be successful and, if we are not successful in finding an acceptable resolution to the existing default or the impending event of default, the holders of the Outstanding Debt will be able to seek judgement for the full amount due and may seek to foreclose on our assets, which would adversely affect our business or possibly force us to cease operations and commence liquidation proceedings. Our debt and financial obligations:

- could impair our liquidity;
- could make it more difficult for us to satisfy our other obligations;
- could require us to dedicate cash flow to payments on our debt and financial obligations, which would reduce the availability of our cash flow to fund working capital, capital expenditures and other corporate requirements;
- could impose restrictions on our ability to incur other indebtedness, grant liens on our assets, and could impede us from obtaining additional financing in the future for working capital, capital expenditures, acquisitions and general corporate purposes;
- could adversely affect our ability to enter into strategic transactions, public or private equity offerings, and similar agreements, or require us to obtain the consent to enter into such transactions;
- could make us more vulnerable in the event of a downturn in our business prospects and could limit our flexibility to plan for, or react to, changes in our industry and markets; and
- could place us at a competitive disadvantage when compared to our competitors.
- could cease operation and liquidate risk.

The Outstanding Debt could enable the lenders to foreclose on certain of our assets and could significantly diminish the market value and marketability of our ordinary shares and could result in the acceleration of other payment obligations or default under other contracts or possibly force us to cease operations and commence liquidation proceedings. In addition, the conversion of some or all of the Outstanding Debt into ordinary shares will dilute the ownership interests of our existing shareholders. Any sales in the public market of our ordinary shares issuable upon such conversion could adversely affect prevailing market prices of our ordinary shares. In addition, the existence of the Outstanding Debt may encourage short selling by market participants because the conversion of the Outstanding Debt would likely depress the price of our ordinary shares.

We will need to raise additional funds in the near future in order to execute our business plan and these funds may not be available to us when we need them. If we cannot raise additional funds when we need them, our business, prospects, financial condition and operating results could be negatively affected.

We require additional capital in the future in order to fund our growth strategy or to respond to technological advancements, competitive dynamics or technologies, customer demands, business opportunities, challenges, acquisitions or unforeseen circumstances. We may also determine to raise equity or debt financing for other reasons. For example, in order to further enhance business relationships with current or potential customers or partners, we may issue equity or equity-linked securities to such current or potential customers or partners.

We may not be able to timely secure additional debt or equity financing on favorable terms, or at all. If we raise additional funds through the issuance of equity or convertible debt or other equity-linked securities, our existing shareholders could experience significant dilution. In addition, any debt financing obtained by us in the future, whether in the form of a credit facility or otherwise, could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. In addition, because our decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts.

Risks Related to Our Business and Industry

An inability to attract new customers, retain existing customers and sell additional services to customers could adversely impact our revenue and results of operations.

Currently, we generate the majority of our revenues from our Professional Services division, which, among other services, enables enterprise clients to identify, manage and respond to cybersecurity threats with comprehensive, bundled solutions that provide a crucial layer of protection for organizations as well as a means to manage associated risk and compliance. More recently, we have bundled solutions under a package approach called HUB Guard that includes dashboards providing scoring on the customer's cyber resiliency.

The ability to maintain or increase our revenues and achieve profitability may be impacted by a number of factors, including our ability to attract new customers, retain existing customers and sell our professional services to additional customers. We may incur higher customer acquisition or retention costs as we seek to grow our customer base and expand our markets. Moreover, to the extent we are unable to retain and sell additional services to existing customers, including as part of our initiative to address existing accounts that have substandard margins, our revenue and results of operations may decrease. For example, our Professional Services division had a large contract with a governmental agency in Israel, which expired in December 2023. The loss of business from any of our major customers, whether by the cancellation of existing contracts, the failure to obtain renewal of these contracts or win new business or lower overall demand for our services, could materially and adversely impact our revenue and results of operations.

The termination of, or material changes to, our relationships with key vendors could materially adversely affect our business, financial condition and operating results, which could be exacerbated due to our reliance on a small number of vendors for a significant portion of our distribution and offerings in our Professional Services division.

We contract to purchase from specific vendors a significant portion of our distribution and offerings for our Professional Services division. For the year ended December 31, 2023, two vendors accounted for approximately 80% of inventory purchases. These vendors decided to terminate their relationships with our subsidiary and ceased supplying products. We have reached settlement with one vendor and we are negotiating settlement with the second one as well. Those vendors are associated with the Company's discontinued operation for the period ended December 31,2023.

Actions that we have taken to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.

Beginning in March 2023, we began implementing a plan to reduce our workforce in order to become more efficient in our costs and to optimize facilities-related costs. We adopted this plan to improve operational efficiencies and align our investments more closely with our strategic priorities. We may incur additional expenses associated with the reduction in our workforce not contemplated by our plan such as employment litigation costs, which may have an impact on other areas of our liabilities and obligations and contribute to losses in future periods. We may not realize, in full or in part, the anticipated benefits and savings from our plan due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings, our operating results and financial condition would be adversely affected.

Furthermore, ongoing implementation of our plan and reductions in force may be disruptive to our operations. For example, our workforce reduction could result in attrition beyond planned staff reductions, increased difficulties in our day-to-day operations and reduced employee morale. If employees who were not affected by the few rounds of reduction in force seek alternative employment, we could incur unplanned additional expense to ensure adequate resourcing and fail to attract and retain qualified management, sales and marketing personnel who are critical to our business. Our failure to do so could harm our business and our future performance.

Our limited operating history in the field of secured data fabric and confidential computing makes it difficult to evaluate our business and prospects and increases the risk of your investment.

We began operations in 1984 as A.L.D. Advanced Logistics Development Ltd. ("ALD") and are engaged in developing and marketing quality management software tools and solutions. HUB Cyber Security Ltd (today HUB Cyber Security TLV) was founded in 2017 by veterans of the elite Unit 8200 and Unit 81 of the Israeli Defense Forces, with vast experience and proven track records in setting up and commercializing start-ups in a multi-disciplinary environment. HUB merged with ALD in June 2021 and began trading on the Tel Aviv Stock Exchange (the "TASE"). Following the merger with ALD, we have developed unique technology and products in the field of confidential computing, which is a rapidly evolving industry. Further, significant portions of our growth have been through mergers with, and acquisitions, of other companies. As a result, there is limited information that investors can use in evaluating our business, strategy, operating plan, results, and prospects. While we currently derive most of our revenues from our Professional Services division, we intend to derive most of our revenues in the future from the delivery of technology and products, including our secured data fabric and confidential computing protection solutions. It is difficult to predict future revenues and appropriately budget for expenses, and we have limited insight into trends that may emerge and affect our business. To date, we have only derived a small portion of our historical revenues from technology and product-oriented solutions, including our confidential computing solution. In addition, we have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as the risks and uncertainties described herein. As a result, if we do not address these risks successfully, or if the assumptions we use to plan and operate our business are incorrect or change, our results of operations could differ materially from our expectations, and our business, financial condition, and results of operations could be materially adversely affected.

The network security market is rapidly evolving within the increasingly challenging cyber threat landscape. If our solutions fail to adapt to market changes and demands, sales may not continue to grow or may decline.

We offer a combined hardware and software solutions that provides end-to-end data protection across all phases of data storage and processing. If customers do not recognize the benefit of our solutions as a critical layer of an effective security strategy, our revenues may fail to grow or otherwise decline. Security solutions such as ours create a protective envelope around each data processing component to protect data while it is being processed. However, advanced cyber attackers are skilled at adapting to new technologies and developing new methods of gaining access to organizations' sensitive data and technology assets, including those of IT and cybersecurity providers. The techniques they use to access or sabotage networks or applications or to disrupt operations (for example, via ransomware) change frequently and are frequently not recognized until launched against a target. In addition, the COVID-19 pandemic significantly impacted online behavior and the security of businesses and individuals, and we have observed a significant increase in cyber-attack activity since the beginning of the pandemic. We expect that our customers, and thereby our solutions, will face new and increasingly sophisticated methods of attack, particularly due to the increased use by attackers of tools and techniques that are designed to circumvent security controls, to avoid detection and to remove or obfuscate evidence. We face significant challenges in ensuring that our solutions effectively identify and respond to sophisticated attacks while avoiding disruption to our customers' businesses. As a result, we must continually modify and improve our products and solutions in response to market and technology trends and evolvement, including obtaining interoperability with existing or newly introduced technologies and systems, to ensure we are meeting market needs and continuing to provide valuable solutions that can be deployed in a variety of IT environments. If we fail to identify and respond to new and increasingly complex methods of attack or to update our solutions to detect or prevent such threats in time to protect our customers' critical business data, the integrity of our solutions and reputation, as well as our business and operating results, could suffer.

We cannot guarantee that we will be able to anticipate future market needs and opportunities or be able to develop or acquire product enhancements or new products or solutions to meet such needs or opportunities in a timely manner or at all. Additionally, we cannot guarantee that we will be able to comply with new regulatory requirements (see "*Item 3.D. "Key Information—Risk Factors—Risks Related to Our Legal and Regulatory Environment—The dynamic regulatory environment around privacy and data protection may limit our offering or require modification of our products and services, which could limit our ability to attract new customers and support our existing customers and increase our operational expenses. We could also be subject to investigations, litigation, or enforcement actions alleging that we fail to comply with the regulatory requirements, which could harm our operating results and adversely affect our business*."). Furthermore, new technologies and solutions that may be introduced into the market may make our solutions obsolete, lowering the demand for our products and reducing our sales. Even if we are able to anticipate, develop and commercially introduce new features and solutions and ongoing enhancements to our existing solutions, there can be no assurance that such enhancements or new solutions will achieve widespread market acceptance. Delays in developing, completing or delivering new or enhanced solutions could cause our offerings to be less competitive, impair customer acceptance of our solutions and result in delayed or reduced revenue.

Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.

Network security products, solutions and services such as ours are complex in development, design and deployment and may contain errors, bugs, misconfigurations or vulnerabilities that are potentially incapable of being remediated or detected until after their deployment, if at all. Any real or perceived errors, bugs, design failures, defects, vulnerabilities, misconfigurations in our solutions or untimely or insufficient remediation thereof, could cause our solutions to not meet specifications, be vulnerable to security attacks or fail to secure networks or applications which could negatively impact customer operations and consequently harm our business and reputation.

In addition, we may suffer significant adverse publicity and reputational harm if our solutions are associated, or are believed to be associated with, or fail to reasonably protect against, a security attack or a breach at a high-profile customer. Moreover, any actual or perceived cyber-attack, other security breach, exposure or theft of ours or our customers' data, regardless of whether the breach or theft is attributable to the failure of our solutions, could:

- adversely affect the market's perception of our solutions,
- cause current or potential customers to look to our competitors for alternatives,
- require us to expend significant financial resources to analyze, correct or eliminate any vulnerabilities, and
- lead to investigations, litigation, fines and penalties, any of which could have a material adverse effect on our operations, financial condition and reputation.

Furthermore, security breaches or defects in our solutions could result in loss or alteration of, or unauthorized access to, customers' data and compromise our customers' networks and applications that are secured by our solutions. If such a security breach results in the disruption or loss of availability, integrity or confidentiality of customers' data, we could incur significant liability to our customers and to businesses or individuals whose information was being handled by our customers, in addition to regulatory agencies. There can be no assurance that limitation of liability, indemnification or other protective provisions that we attempt to include in our contracts would be applicable, enforceable or adequate in connection with a security breach, or would otherwise protect us from any such liabilities or damages with respect to any particular claim.

There is no guarantee that our solutions will be free of flaws or vulnerabilities. Our customers may also misuse or improperly install our solutions, which could result in vulnerabilities to a breach or theft of business data.

Competition in the market for cybersecurity and other technology solutions, in general, is intense. If we are unable to compete effectively, our business, financial condition and results of operations could be harmed.

The network security solutions market in which we operate is characterized by intense competition, constant innovation, rapid adoption of different technological solutions and services, and evolving security threats. We compete with a multitude of companies that offer a broad array of network security products and that employ different approaches and delivery models to address these evolving threats.

Our primary competitors in the network security industry consist of Cisco Systems, Inc., Juniper Networks, Inc., Fortinet Inc., Check Point Software Technologies Ltd. and Palo Alto Networks, Inc., as well as companies that have network security capabilities as part of broader IT solutions offerings, such as Microsoft Corporation, McAfee, Inc., International Business Machines Corporation, Hewlett-Packard Enterprise Company and FireEye, Inc. Competitors in the data fabric market include Atlan, IBM, Oracle, Talend, SAP, Informatica, Cloudera, TIBCO, Amazon Web Services and data.world.

In addition, IT security spending is spread across a wide variety of solutions and strategies, including, for example, endpoint, network and cloud security, vulnerability management and identity and access management. Organizations continually evaluate their security priorities and investments and may allocate their IT security budgets to other solutions and strategies and may not adopt or expand use of our solutions. Accordingly, we may also compete for budgetary reasons with additional vendors that offer threat protection solutions in adjacent or complementary markets to ours.

Most of our competitors have greater financial, personnel and other resources than we have, which may limit our ability to effectively compete with them. We also expect to continue to face additional competition as new participants enter the market or extend their portfolios into related technologies. Current and future participants may also be able to respond more quickly to new or emerging technologies and changes in customer demands and to devote greater resources to the development, promotion and sale of their products than we can. Larger companies with substantial resources, brand recognition and sales channels may form alliances with or acquire competing security solutions and emerge as significant competitors.

Competition may result in lower prices or reduced demand for our solutions and a corresponding reduction in our ability to recover costs, which may impair our ability to achieve, maintain and increase profitability. Furthermore, the dynamic market environment poses a challenge in predicting market trends and expected growth. We cannot assure you that we will be able to implement our business strategy in a manner that will allow us to be competitive. If any of our competitors offer products or services that are more competitive than ours, we could lose market share and our business, financial condition and results of operations could be materially and adversely affected as a result.

Our ability to introduce new products, features, integrations and enhancements is dependent on adequate research and development resources.

To remain competitive, we must maintain adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market. If we are unable to offer high level and new services in our Professional Services division, develop new products, features, integrations and enhancements internally due to certain constraints, such as employee turnover, a lack of management ability or a lack of other research and development resources, our business may be harmed. Moreover, research and development projects can be technically challenging and expensive. The nature of these research and development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we are able to offer compelling features, integrations and enhancements and generate revenue, if any, from such investment. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or competitive improvement of products, features, integrations and enhancements, it could harm our business, results of operations and financial condition. For example, we are in the process of developing our “single chip” solution, which is a complicated process and there is no assurance that we will be able to successfully release this solution as planned. In addition, our failure to maintain adequate research and development resources or to compete effectively with the research and development programs of our competitors may harm our business, results of operations and financial condition.

If we are unable to acquire large enterprise customers for our security solutions or sell additional products and services to our existing customers, our future revenues and operating results will be harmed.

Our success and continued growth will depend in part on our ability to convince large enterprises to adopt our technologies and solutions and selling incremental or new solutions to existing customers. If we are unable to succeed in such efforts, we will likely be unable to generate revenue growth at desired or projected rates.

In addition, competition in the industry may lead us to acquire fewer new customers or result in our providing more favorable commercial terms to new or existing customers. Macro-economic effects may also affect our ability to maintain our customer base and expand it.

Additional factors that impact our ability to acquire new customers or sell additional products and services to our existing customers include the consumption of their past purchases, a reduction in the perceived need for network security, the size of our prospective and existing customers’ IT budgets, the utility and efficacy of our solution offerings, whether proven or perceived, changes in our pricing models, and general economic conditions. These factors may have a material negative impact on future revenues and operating results.

We currently have and target many customers that are large corporations and government entities, which are subject to a number of challenges and risks, such as increased competitive pressures, administrative delays and additional approval requirements.

Many of our existing and potential customers are large corporations and government agencies who store sensitive data. Selling to large corporations and government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that HUB will complete a sale. Large enterprise customers frequently demand terms of sale which are less favorable than the prevailing market terms. In addition, government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, funding reductions, government shutdowns or delays, such that any of these occurrences may adversely affect public sector demand for our products. Finally, some large corporations and government entities require products such as ours to be certified by industry-approved security agencies as a pre-condition of purchasing them. We cannot be certain that any certificate will be granted or that we would be able to satisfy the technological and other requirements to maintain certifications. The loss of any of our existing certificates, or the failure to obtain new ones, could result in the imposition of various penalties, reputational harm, loss of existing customers or could deter new and existing customers from purchasing our solutions, any of which could adversely affect our business, operating results or financial condition.

The market's acceptance of secured data fabric and confidential computing as implemented by our solutions is not fully proven, is evolving and this market may develop more slowly than or differently from our expectations.

Our solutions use a unique combination of hardware and software to provide network security. This method is different from traditional network security solutions that rely on software implementation of network perimeter protection. The market adoption of our solutions is relatively new, rapidly evolving and not fully proven. Accordingly, it is difficult to predict customer adoption and renewals and demand for our products and services, or the future growth rate, expansion, longevity and the size of the market for our products. Our ability to penetrate our target market depends on a number of factors, including: our ability to educate our target customers of the benefits of our solutions, the cost, performance and perceived value associated with our solutions and the extent to which our solutions improve network security and are easy to use for our customers. If our solutions do not achieve market acceptance, or there is a reduction in demand caused by decreased customer acceptance, technological challenges, weakening economic conditions, privacy, data protection and data security concerns, governmental regulation, competing technologies and products or decreases in information technology spending or otherwise, the market for our solutions may not continue to develop or may develop more slowly than we expect, which could adversely affect our business, financial condition and results of operations.

We may not be able to convert our customer orders in backlog or pipeline into revenue.

There is no assurance that our backlog will materialize into actual revenues or that we will be able to convert our pipeline into executed contracts that generate revenues.

Our ability to convert our estimated backlog into revenue is dependent upon the successful delivery of our solutions to customers and assumes that our customers will not cancel or amend the terms of their contracts. The conversion of our pipeline into executed, revenue-generating contracts depends upon a number of factors including the continued interest by potential customers in our products and the successful negotiation of contracts with those customers. If we are able to successfully enter into contracts with potential customers, the realization of estimated revenues from those contracts remains subject to our ability to successfully deliver network security solutions to those customers.

In addition, since storage and protection of sensitive data is subject to numerous regulatory and industry requirements, some of our solutions may need to qualify under relevant standards in order for us to implement them for our customers. Such standards include, for example, the Payment Card Industry Data Security Standards for storing credit card data and the Federal Information Processing Standard Publication 140-2 for providing network security to U.S. government entities. Our solutions have not yet obtained qualification under any relevant regulatory or industry standards, and achieving such qualifications may be a time-consuming and costly process. There can be no assurance that our solutions will obtain the necessary qualification. A delay or failure to obtain qualification will impair our ability to deliver solutions to our customers.

As a result, the contracts comprising our backlog may not result in actual revenue in any particular period, or at all, and the actual revenue from such contracts may differ from our backlog estimates.

We may fail to fully execute, integrate or realize the benefits expected from acquisitions, which may require significant management attention, disrupt our business and adversely affect our results of operations.

As part of our business strategy and in order to remain competitive, we continually evaluate acquiring or making investments in complementary companies, products or technologies. We may not be able to find suitable acquisition candidates or complete such acquisitions on favorable terms. We may incur significant expenses, divert employee and management time and attention from other business-related tasks and our organic strategy and incur other unanticipated complications while engaging with potential target companies where no transaction is eventually completed.

If we do complete acquisitions, it may not ultimately strengthen our competitive position or achieve our goals or expected growth, and any acquisitions we complete could be viewed negatively by our customers or experience unexpected competition from market participants. Any integration process may require significant time and resources. HUB may not be able to manage the process successfully and may experience a decline in our profitability as it incurs expenses prior to fully realizing the benefits of the acquisition. We acquired three companies and certain assets within the past two and a half years and greatly increased our number of employees and fields of operation. The smooth integration into HUB of the operations of these companies and of their employees is an important part of our sales and growth plan. The staff of the first company that was acquired, ALD Advanced Logistics Development Ltd., are the foundation upon which HUB will build our Professional Services business, and the strengths of the second acquired company, COMSEC Ltd, and the third one QPoint, in marketing, support, sales and cybersecurity consulting are to be the foundation of our sales efforts. We believe that the above mentioned acquisitions will also give us direct access to a large number of blue-chip customers around the world, which can save us a significant amount of time that would be needed to penetrate these markets organically. Our failure to smoothly integrate the operations and employees of these companies into our goals and plans will reduce our prospects for growth. There is no assurance that the acquired companies, including their personnel and operations, can be successfully integrated with our existing employees and operations.

In addition, in November 2023, HUB began to collaborate with BlackSwan Technology ("BST") with the goal of becoming a significant player in the secured data fabric industry. In addition, in December 2023, we entered into a Loan and Security Agreement with BST pursuant to which we may make, at our sole discretion, cash advances to BST, from time to time, until June 30, 2024, in an aggregate principal amount of up to $6,000,000. We are currently negotiating a collaboration agreement pursuant to which HUB expects to receive a license to any BST intellectual property created or developed as part of this collaboration. HUB ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST. However, there is no certainty that the parties will enter into a collaboration agreement or any other transaction between them.

We could also expend significant cash and incur acquisition-related costs and other unanticipated liabilities associated with the acquisition, the product or the technology, such as contractual obligations, potential security vulnerabilities of the acquired company and our products and services and potential intellectual property infringement. For example, during 2023, one of Comsec's subsidiaries, Comsec Distribution, had financial, operational and commercial difficulties, cessation of sales starting July 2023, layoffs and departures of employees so that as of December 31, 2023 there were no business activities in Comsec Distribution. In addition, we acquired assets of Legacy Technologies Gmbh ("Legacy"), a European cyber firm, however we have yet to recognize any revenues or acquire new customers from the Legacy assets and it remains extremely uncertain as to when, if at all, we may be able to do so. In addition, any acquired technology or product may not comply with legal or regulatory requirements and may expose us to regulatory risk and require us to make additional investments to make them compliant.

We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges and tax liabilities. We could become subject to legal claims following an acquisition or fail to accurately forecast the potential impact of any claims. Any of these issues could have a material adverse impact on our business and results of operations.

The market for network security solutions may not continue to grow.

Continued growth of the network security industry will depend, to a great extent, upon:

- the adoption of data security measures for data encryption and data loss-prevention technologies;
- continued access to mobile application program interface, applications and application stores;
- expansion of government regulation of the internet and governmental and non-governmental requirements and standards with respect to data security and privacy;

- general economic conditions in the markets in which we and our customers operate;
- the continued expansion of internet usage and the number of organizations that allow for remote working;
- the continued adoption of "cloud" infrastructure by organizations;
- the ability of the infrastructures implemented by organizations to support an increasing number of users and services;
- the continued development of new and improved services for implementation across the internet and between the internet and intranets; and
- the continued media attention on penetration of supposedly secure networks by cyber attackers and other malicious intruders.

A failure or slowdown in one or more of the trends listed above may delay the purchase by large organizations of network security equipment and may reduce demand for our products.

Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, some of which are beyond our control, resulting in a decline in our stock price.

Our quarterly results of operations have fluctuated in the past and may vary significantly in the future. As such, historical comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control and may not fully reflect the underlying performance of our business. These fluctuations could adversely affect our ability to meet expectations or those of securities analysts or investors. If we do not meet these expectations for any period, the value of our business and our securities, or those of the combined company, could decline significantly. Factors that may cause these quarterly fluctuations include, without limitation, those listed below:

- The timing of revenues generated and/or recognizable in any quarter;
- Pricing changes we may adopt to drive market adoption or in response to competitive pressure;
- Loss of customers, our ability to retain existing customers and attract new customers;
- Our ability to develop, introduce and sell services and products in a timely manner that meet customer requirements;
- Disruptions in our sales efforts or termination of our relationship with suppliers or subcontractors;
- Delays in customers' purchasing cycles or deferments of customers' purchases in anticipation of new services or updates from us or our competitors;
- Fluctuations in demand pressures for our products;
- The timing and rate of broader market adoption of our cybersecurity solutions;
- Any change in the competitive dynamics of our markets, including consolidation of competitors, regulatory developments and new market entrants;
- Changes in the source, cost or availability of hardware components we use;
- Adverse litigation, judgments, settlements or other litigation-related costs, or claims that may give rise to such costs; and
- General economic, industry and market conditions, including trade disputes.

A shortage of components or manufacturing capacity could cause a delay in our ability to fulfill orders or increase our manufacturing costs.

Our ability to meet customer demands depends in part on our ability to obtain timely deliveries of parts from our suppliers and contract manufacturers. There is no assurance that we will not encounter supply and fulfilment issues in the future and certain components are presently available to us only from limited sources. We may not be able to diversify sources in a timely and cost-effective manner, which could harm our ability to deliver products to customers and adversely impact present and future sales and profitability.

We may experience a shortage of certain component parts as a result of our own manufacturing issues, manufacturing issues at our suppliers or contract manufacturers, capacity problems or transportation and freight carriers issues experienced by our suppliers or contract manufacturers, or strong demand in the industry for those parts, especially if there is growth in the overall economy. If there is growth in the economy, such growth is likely to create greater pressures on us and our suppliers to accurately project overall component demand and component demands within specific product categories and to establish optimal component levels. If shortages or delays persist, such as due to the global chip shortage, the price of these components may increase, or the components may not be available at all. In addition, disruptions in our supply chain, particularly as a result of the global chip shortage, could delay the development of our single chip solution and have a material adverse effect on our business, financial condition and results of operations.

We rely on a few suppliers for components and subcontractors for the manufacture of our products.

We rely on a limited number of suppliers and contract manufacturers for the components, subassemblies and modules necessary for the manufacture or integration of our products. Our reliance on such suppliers and subcontractors involves several risks, including potential inability to obtain an adequate supply of required components, subassemblies or modules and limited control over pricing, quality and timely delivery of components, subassemblies or modules. Such risks could be exacerbated to the extent such suppliers and subcontractors are materially disrupted by quarantines, factory slowdowns or shutdowns, border closings and travel restrictions resulting from any resurgence of the COVID-19 pandemic.

If we are unable to continue to acquire from these suppliers or subcontractors on acceptable terms or should any of these suppliers or subcontractors cease to supply us with such components, subassemblies or modules for any reason, we may not be able to identify and integrate an alternative source of supply in a timely fashion or at the same costs. Any transition to one or more alternate suppliers or contract manufacturers could result in delays, operational problems and increased costs, and may limit our ability to deliver our products to customers on time during such a transition period, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our management team has limited experience managing a U.S. listed public company.

Part of our management team has limited experience managing a U.S. listed publicly traded company, interacting with U.S. public company investors and complying with the increasingly complex laws pertaining to U.S. listed public companies. Our management team may not successfully or efficiently manage their relatively new roles and responsibilities. Our transition to being a U.S. listed public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and operating results.

Due to our limited resources, we may be forced to focus on a limited number of commercial opportunities which may force us to pass on opportunities that could have a greater chance of success.

Due to our current cash situation and our overall limited resources and capabilities, we will have to decide to focus on pursuing a limited number of commercial opportunities. As a result, the Company may forego or delay pursuit of certain business opportunities that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on profitable market opportunities. Additionally, our spending on research and development programs may not yield any commercially viable products. If we make incorrect determinations regarding the viability or market potential of any or all of our products and offerings or misread trends in the cybersecurity industry, our business, prospects, financial condition and results of operations could be materially adversely affected.

Our business relies on the performance of, and we face stark competition for, highly skilled personnel, including our management and other key employees, and the loss of one or more of such personnel or of a significant number of our team members or the inability to attract and retain executives and qualified employees we need to support our operations and growth, could harm our business.

Our success and future growth depend upon the continued services of our management team and other key employees, including in companies we acquired. Our leadership team are critical to our overall management, as well as the continued development of our solutions, culture and strategic direction. From time to time, there may be changes in our management team resulting from the hiring or departure of executives and key employees, which could disrupt our business. Though sometimes new management can contribute and provide a new beneficial approach, for example, our Chief Executive Officer, Noah Hershcoviz, only started in his position in the last year, we are currently conducting a global search for a permanent Chief Financial Officer and we have recently made other significant changes to our executive management team in an effort to reduce costs and increase efficiency. We are also dependent on the continued service of our existing engineering team because of the complexity of our product and solutions. We may terminate any employee's employment at any time, with or without cause, and any employee may resign at any time, with or without cause, subject only to the notice periods prescribed by their respective agreements if done without cause. The loss of one or more members of our senior management or key employees could harm our business, and we may not be able to find adequate replacements. There is no assurance that we will be able to retain the services of any members of our senior management or key employees.

In addition, we must attract and retain new highly qualified personnel in order to execute our growth plan. We have had difficulty quickly filling certain open positions in the past and expect to have significant future hiring needs. Competition is intense, particularly in Israel and other areas in which we have offices, for engineers experienced in designing and developing cybersecurity products, research and development specialists, providers of professional services in the cyber field and experienced sales professionals. In order to continue to access top talent, we may continue to grow our footprint of office locations, which may add to the complexity and costs of our business operations. From time to time, we have experienced, and expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees, or we, have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, experiences significant volatility, such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to offer competitive compensation packages and thereby adversely impact our ability to recruit and retain key employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed. In addition, as a result of the intense competition for highly qualified personnel, the high-tech industry has also experienced and may continue to experience significant wage inflation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

We enter into non-competition agreements with our employees in certain jurisdictions. These agreements prohibit our employees from competing with us or working for our competitors for a limited period. We may be unable to enforce these agreements under the laws of the jurisdictions in which those employees work, and it may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us. For example, Israeli labor courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer that have been recognized by the courts, such as the protection of a company's trade secrets or other intellectual property.

We will be educating our target market on the benefits of our technology and the need for our products, and such education will be expensive and time consuming.

Our technology is new and not widely understood among our customer base. We will have to educate our customers of the benefits of our technology and the difference between our solution and other available solutions. Educating customers is frequently time consuming and expensive and requires expertise, patience and a delicate touch. There can be no assurance that we will be able to educate the market of the benefits of our solution, or that potential customers will understand or appreciate the superior performance of our products. Delays in the market's understanding of our superior products will delay the expected pace of our growth in revenues.

Prolonged economic uncertainties or downturns in certain regions or industries could materially adversely affect our business.

Our business depends on our current and prospective customers' ability and willingness to invest money in network security, which in turn is dependent upon their overall economic health. Negative economic conditions in the global economy or certain regions, including conditions resulting from financial and credit market fluctuations, exchange rate fluctuations, or inflation, could cause a decrease in corporate spending on network security solutions and services. Other matters that influence consumer confidence and spending, including political unrest, public health crises, terrorist attacks, armed conflicts (such as the conflict between Russia and Ukraine) and natural disasters could also negatively affect our customers' spending on our solutions and services. A significant portion of our business operations are concentrated in core geographic areas such as the Middle East and Europe, and if they were to experience economic downturns, this could severely affect our business operations. In addition, some of our business operations depend on emerging markets that are less resilient to fluctuations in the global economy. In 2023, we generated 95% of our revenues from Israel, 3% of our revenues from Europe and less than 2% from the rest of the world.

In addition, a significant portion of our revenue is generated from customers in the financial services industry, including banking and insurance. Negative economic conditions may cause customers generally, and in that industry in particular, to reduce their IT spending. Customers may delay or cancel IT projects perceived to be discretionary, choose to focus on in-house development efforts or seek to lower their costs by renegotiating contracts. Further, customers may be more likely to make late payments in worsening economic conditions, which could lead to increased collection efforts and require us to incur additional associated costs to collect expected revenues. If the economic conditions of the general economy or industries in which we operate worsen from present levels, our results of operation could be adversely affected.

Our sales and operations in international markets expose us to operational, financial and regulatory risks.

We currently offer our solutions in several countries and intend to continue to expand our international operations. While we have committed resources to expanding our international operations and sales channels, these efforts may not be successful. International operations are subject to a number of other risks, including:

- Exchange rate fluctuations;
- Political and economic instability, particularly in emerging markets;
- Global or regional health crises, such as the COVID-19 pandemic or any resurgence thereof;

- Potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- Less effective protection of intellectual property;
- Difficulties and costs of staffing and managing foreign operations, including recruiting and retaining talented and capable employees;
- Import and export laws, including technology import and export license requirements, and the impact of tariffs;
- Trade restrictions, including as a result of trade disputes or other disputes between countries or regions in which we sell and operate;
- Difficulties in complying with a variety of foreign laws and legal standards and changes in regulatory requirements;
- Difficulties in collecting receivables from foreign entities or delayed revenue recognition;
- The introduction of exchange controls and other restrictions by foreign governments; and
- Changes in local tax and customs duty laws or changes in the enforcement, application or interpretation of such laws.

There is no assurance that the foregoing factors will not have a material adverse effect on our future revenues and, as a result, on our business, operating results and financial condition.

Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.

Factors that could materially affect our future, effective tax rates, include but are not limited to:

- Changes in tax laws or the regulatory environment;
- Changes in accounting and tax standards or practices;
- Changes in the composition of operating income by tax jurisdiction; and
- our operating results before taxes.

Because we do not have a long operating history and have significant expansion plans, our effective tax rate may fluctuate in the future. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded, changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities, or changes in tax laws.

Fluctuations in currency exchange rates could harm our operating results and financial condition.

We offer our solutions to customers globally and have sales in several countries. Although a large portion of our cash generated from revenue is denominated in U.S. dollars, most of our revenues and operating expenses are incurred in Israel and denominated in Israeli New Shekels. As a result, our consolidated U.S. dollar financial statements are subject to fluctuations due to changes in exchange rates as our revenues and operating expenses are translated from NIS into U.S. dollars. In particular, for the last two fiscal years, there has been a significant fluctuation in the value of the U.S. dollar relative to the NIS, with the representative exchange rate having gained from NIS 3.11 per U.S. dollar on December 31, 2021 to NIS 3.519 on December 31, 2022 and having gained from NIS 3.519 per U.S. dollar on December 31, 2022 to NIS 3.6270 on December 31, 2023. If the significant fluctuation in the value of the U.S. dollar relative to the NIS will continue, it will have an impact on the U.S. dollar amount of our future operating expenses. Our financial results are also subject to changes in exchange rates that impact the settlement of transactions in non-local currencies. Because we conduct business in currencies other than U.S. dollars but report our results of operations in U.S. dollars, it also faces re-measurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict future results and earnings and could materially and adversely impact our financial condition and results of operations. We evaluate periodically the various currencies to which we are exposed and take selective hedging measures to reduce the potential adverse impact from the appreciation or the devaluation of our non-U.S. dollar-denominated expenses, as appropriate and as reasonably available to us. There can be no assurances that our hedging activities will be successful in protecting us from adverse impacts from currency exchange rate fluctuations.

Any resurgence of the COVID-19 pandemic could adversely affect our business, financial condition and results of operations.

In late 2019, a novel strain of COVID-19, also known as coronavirus, was reported in Wuhan, China. While initially the outbreak was largely concentrated in China, it spread to countries across the globe, including in Israel and the United States. Many countries around the world, including in Israel and the United States, implemented significant governmental measures to control the spread of the virus, including temporary closure of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business.

While the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, it has already caused, and could result in further, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity and financial position. In addition, the trading prices for other companies have been highly volatile as a result of the COVID-19 pandemic. As a result, we may face difficulties raising capital through sales of our ordinary shares or other securities and such sales may be on unfavorable terms. To the extent that future waves of COVID-19 disrupt normal business operations, we may face operational challenges with our services, and we likely will have to adopt remote working and workplace protocols for employees in accordance with government requirements and other measures to minimize such impact.

The COVID-19 pandemic and its impacts continue to evolve. We cannot predict the scope and severity of any further disruptions as a result of COVID-19 or their impacts on us, but business disruptions for us or any of the third parties with whom we engage, including the manufacturers, suppliers, customers, regulators and other third parties with whom we conduct business could materially and negatively impact our ability to conduct our business in the manner and on the timelines presently planned. The extent to which the COVID-19 pandemic may continue to impact our business and financial performance will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope and duration of the pandemic, the extent and effectiveness of government restrictions and other actions, including relief measures, implemented to address the impact of the pandemic, and resulting economic impacts. We are unable to determine the extent of the impact of the pandemic on our operations and financial condition going forward. These developments are highly uncertain and unpredictable and may materially adversely affect our financial position and results of operations.

Risks Related to Our Systems and Technology

As a company that seeks to become a comprehensive secured data fabric provider and confidential computing provider, if any of our systems, our customers' cloud or on-premises environments, or our internal systems are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our business may be harmed, and we may lose business and incur losses or liabilities.

The success of our security solution capturing significant market share depends in part on the market's perception of the integrity of the HUB solution in securely storing, transmitting and processing data. Because our solutions and services are used by our customers to protect and manage large data sets that often contain proprietary, confidential, and sensitive information (it may include in some instances personal or identifying information and personal health information), components protected by our products will be perceived by computer hackers as an attractive target for attacks, and our software could face threats of unintended exposure, exfiltration, alteration, deletion or loss of data. Additionally, because some of our customers use our solutions to store, transmit and otherwise process proprietary, confidential, or sensitive information and complete mission-critical tasks, they have a lower risk tolerance for security vulnerabilities in our solutions and services than for vulnerabilities in other, less critical, software products and services.

We, and the third-party vendors upon which we rely, have experienced, and may in the future experience, cybersecurity threats, including threats or attempts to disrupt our information technology infrastructure and unauthorized attempts to gain access to sensitive or confidential information. We and our third-party vendors' technology systems may be damaged or compromised by malicious events, such as cyber-attacks (including computer viruses, malicious and destructive code, phishing attacks, and denial of service attacks), physical or electronic security breaches, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, and human error. Such attacks or security breaches may be perpetrated by internal bad actors, such as employees or contractors, or by third parties (including traditional computer hackers, persons involved with organized crime, or foreign state or foreign state-supported actors). Cybersecurity threats can employ a wide variety of methods and techniques, which may include the use of social engineering techniques, are constantly evolving, and have become increasingly complex and sophisticated; all of which increase the difficulty of detecting and successfully defending against them.

Furthermore, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we and our third-party vendors may be unable to anticipate these techniques or implement adequate preventative measures. Although prior cyber-attacks directed at us have not had a material impact on our financial results, and we are continuing to bolster our threat detection and mitigation processes and procedures, we cannot guarantee that future cyber-attacks against our own computer components or components owned by third parties that are protected by our solutions, will not have a material impact on our business or financial results.

Many governments have enacted laws requiring companies to provide notice of data security incidents involving certain types of data, including personal data. In addition, most of our customers contractually require us to notify them of data security breaches. If an actual or perceived breach of security measures, unauthorized access to our system or the systems of the third-party customers that are protected by our solutions, we may face direct or indirect liability, costs, or damages, contract termination, our reputation in the industry and with current and potential customers may be compromised, our ability to attract new customers could be negatively affected and our business, financial condition, and results of operations could be materially and adversely affected.

Further, a successful hacking of systems that are protected by our solutions could result in the loss of information; significant remediation costs; litigation, disputes, regulatory action, or investigations that could result in damages, material fines, and penalties; indemnity obligations; interruptions in the operation of our business, including our ability to provide new product features, new solutions, or services to our customers; and other liabilities. Moreover, our remediation efforts may not be successful. Any or all of these issues, or the perception that any of them have occurred, could negatively affect our ability to attract new customers, cause existing customers to terminate or not renew their agreements, hinder our ability to obtain and maintain required or desirable cybersecurity certifications and result in reputational damage, any of which could materially adversely affect our results of operations, financial condition and prospects. As our focus and business continue to shift towards cybersecurity and managing sensitive and large amounts of data, the risk will intensify as more of a premium is placed on our cybersecurity efforts. There can be no assurance that any limitations of liability provisions in our license arrangements with customers or in our agreements with vendors, partners, or others would be enforceable, applicable, or adequate or would otherwise protect us from any such liabilities or damages concerning any particular claim.

We maintain different types of insurance, subject to applicable deductibles and policy limits, but our insurance may not be sufficient to cover the financial, legal, business, or reputational losses that may result from an interruption or breach of our systems. We also cannot be sure that our existing general liability insurance coverage and coverage for cyber liability or errors or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could result in our business, financial condition and results of operations being materially adversely affected. In addition, our cybersecurity risk could be increased because of the ongoing military conflicts between Israel and Hamas and other terrorist organizations and Russia and Ukraine and the related sanctions imposed against Russia. We implement continuous multi-layered cybersecurity protection for our operations and resources and have an internal professional group of cybersecurity services to ensure protection against attacks by state actors, including any new cybersecurity threats that may be presented by the unfolding conflicts between Israel and Hamas and other terrorist organizations and Russia and Ukraine.

Undetected defects and errors may increase our costs and impair the market acceptance of our products and solutions.

Our products and solutions have occasionally contained, and may in the future contain undetected defects or errors, especially when first introduced or when new versions are released, due to defects or errors that we fail to detect, including in components supplied to us by third parties. In addition, because our customers integrate our products into their networks with products from other vendors, it may be difficult to identify the product that has caused the problem in the network. Regardless of the source of these defects or errors, we will then need to divert the attention of our engineering personnel from our product development efforts to detect and correct these errors and defects. In the past, we have not incurred significant warranty or repair costs, nor have we been subject to liability claims for material damages related to product errors or defects, nor have we experienced any material lags or delays as a result thereof. However, there can be no assurance that these costs, liabilities and delays will continue to be immaterial in the future. Any insurance coverage that we maintain may also not provide sufficient protection should a claim be asserted. Moreover, the occurrence of errors and defects, whether caused by our products or the components supplied by another vendor, may result in significant customer relations problems, and injure our reputation, thereby impairing the market acceptance of our products.

Interruption or failure of our information technology and communications systems could impact our ability to effectively provide our products and services.

The availability and effectiveness of our services depend on the continued operation of information technology and communications systems. Our systems will be vulnerable to damage or interruption from, among others, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, viruses, denial or degradation of service attacks, ransomware, social engineering schemes, insider theft or misuse or other attempts to harm our systems. We utilize reputable third-party service providers or vendors for all of our IT and communications systems, and these providers could also be vulnerable to harms similar to those that could damage our systems, including sabotage and intentional acts of vandalism causing potential disruptions. Some of our systems will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems with our third-party cloud hosting providers could result in lengthy interruptions in our business. In addition, our services and functionality consist of highly technical and complex technology which may contain errors or vulnerabilities that could result in interruptions in our business or the failure of our systems.

We incorporate third-party technologies in our products, which makes us dependent on the providers of these technologies and exposes us to potential intellectual property claims.

Our products and services contain certain technologies that are purchased and/or licensed from other companies. Third-party developers or owners of such technologies may be unwilling to sell to us or enter into, or renew, license agreements with us for the technologies that we need on acceptable terms, or at all. If we cannot purchase these products or obtain licenses for these technologies, we could lose a competitive advantage compared to our competitors who are able to license these technologies. In addition, when we obtain licenses for third-party technologies, we may have little or no ability to determine in advance whether the technology infringes the intellectual property rights of others. Our suppliers and licensors may not be required or may not be able to indemnify us if claims of infringement are asserted against us, or they may be required to indemnify us only up to a maximum amount, and we would be responsible for any costs or damages above such maximum amount. Any failure to obtain licenses for intellectual property or any exposure to liability as a result of incorporating third-party technologies into our products could materially and adversely affect our business, results of operations, and financial condition.

If our products do not effectively interoperate with our customers' existing or future IT infrastructures, implementations of our products could be delayed or canceled, which could harm our business.

Our products must effectively interoperate with our customers' existing or future IT infrastructures, which often have different specifications, utilize multiple protocol standards, deploy products from multiple vendors and contain multiple generations of products that have been added over time. If we find errors in the existing software or defects in the hardware used by our customers' infrastructure or problematic network configurations or settings, we may need to modify our software or hardware so that our products will interoperate with our customers' infrastructure and business processes.

We may not deliver or maintain interoperability quickly or cost-effectively, or at all. These efforts require capital investment and engineering resources. If we fail to maintain compatibility of our products with our customers' internal networks and infrastructures, our customers may not be able to fully utilize our services and products, and we may, among other consequences, lose or fail to increase our market share and number of customers and experience reduced demand for our products, and our business, financial condition and results of operations could be materially adversely affected.

Risks Related to Our Intellectual Property

Our proprietary rights may be difficult to enforce, which could enable others to copy or use aspects of our products without compensating us.

We rely primarily on patent, trademark, copyright and trade secrets laws and confidentiality procedures and contractual provisions to protect our technology. As of the date of this Annual Report, we own five (5) patents registered in the U.S. We have a further two patent applications pending in the United States. Patents may not issue from our pending applications, and the claims eventually allowed on any patents may not be sufficiently broad to protect our technology or products. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Patent applications in the United States are typically not published until at least 18 months after filing or an earlier priority date, or, in some cases, not at all, and publications of discoveries in industry-related literature lag behind actual discoveries. We cannot be certain that we were the first to make the inventions claimed in our pending patent applications or that we were the first to file for patent protection. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, recent changes to the patent rules in the United States may bring into question the validity of certain software patents and may make it more difficult and costly to prosecute patent applications. As a result, we may not be able to obtain adequate patent protection or effectively enforce our issued patents.

Despite our efforts to protect our intellectual proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. We generally enter into confidentiality or license agreements with our employees, consultants, vendors and customers and generally limit access to and distribution of our proprietary information. However, we cannot guarantee that the steps taken by us will prevent misappropriation of our technology. Policing unauthorized use of our technology or products is difficult. In addition, the laws of some foreign countries do not protect proprietary rights to as great an extent as the laws of the United States or Israel, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States or Israel. From time to time, legal action by us may be necessary to enforce our patents and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, operating results and financial condition. If we are unable to protect our proprietary rights (including aspects of our software and products protected other than by patent rights), we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create the innovative products that we seek to create.

We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products or technology. Our efforts to protect and enforce our intellectual property rights and prevent third parties from violating our rights may be costly.

The success of our products and business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products. We rely on a combination of patent, service mark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, all of which provide only limited protection.

We cannot be sure that any patents will be issued with respect to our currently pending patent applications or that any trademarks will be registered with respect to our currently pending applications in a manner that provides adequate defensive protection or competitive advantages, if at all, or that any patents issued to us will not be challenged, invalidated or circumvented. We may file for patents and trademarks in the United States and other international jurisdictions, but such protections may not be available in all countries in which we operate or in which we seek to enforce our intellectual property rights, or may be difficult to enforce in practice. For example, the legal environment relating to intellectual property protection in certain emerging market countries where we may operate in the future is relatively weaker, often making it difficult to create and enforce such rights. Our currently-registered intellectual property and any intellectual property that may be issued or registered, as applicable, in the future with respect to pending or future applications may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot be certain that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive to or infringe our intellectual property.

Protecting against the unauthorized use of our intellectual property, products and other proprietary rights is expensive and difficult, particularly internationally. We believe that our intellectual property is foundational in the area of confidential computing and we intend to enforce the intellectual property portfolio that we have built. Unauthorized parties may attempt to copy or reverse engineer our technology or certain aspects of our products that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our products or technology to determine the validity and scope of the proprietary rights of others or to block the importation of infringing products into the U.S., Israel or other jurisdictions in which we seek to protect our intellectual property rights.

Any such litigation, whether initiated by us or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, operating results and financial condition. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies, especially in the context of unauthorized parties copying or reverse engineering our products or technology.

Effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which our products are available and competitors based in other countries may sell infringing products in one or more markets. Failure to adequately protect our intellectual property rights could result in our competitors offering similar products, potentially resulting in the loss of some of our competitive advantage, and our business, financial condition and results of operations could be materially adversely affected.

Our intellectual property applications, including patent applications, may not be approved or granted or may take longer than expected to be approved, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

We cannot be certain that we are the first inventor of the subject matter to which we have filed a particular patent application or if we are the first party to file such a patent application. The process of securing definitive patent protection can take five or more years. If another party has filed a patent application to the same subject matter as we have, we may not be entitled to some or all of the protection sought by the patent application. We also cannot be certain whether the claims included in a patent application will ultimately be allowed in the applicable issued patent or the timing of any approval or grant of a patent application. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the patent applications that we file will issue, or that our issued patents will afford protection against competitors with similar technology. In addition, if our competitors may design around our registered or issued intellectual property, our business, financial condition and results of operations could be materially adversely affected.

Third-party claims that we are infringing intellectual property, whether successful or not, could subject us to costly and time-consuming litigation or expensive licenses, and our business could be adversely affected.

Participants in our industry typically protect their technology, especially embedded software, through copyrights and trade secrets in addition to patents. As a result, there is frequent litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. We may in the future receive inquiries from other intellectual property holders and may become subject to claims that we infringe their intellectual property rights, particularly as we expand our presence in the market, expand to new use cases and face increasing competition. In addition, parties may claim that the names and branding of our products infringe their trademark rights in certain countries or territories. If such a claim were to prevail, we may have to change the names and branding of our products in the affected territories and could incur other costs.

We may in the future need to initiate infringement claims or litigation in order to try to protect our intellectual property rights. In addition to litigation where we are a plaintiff, our defense of intellectual property rights claims brought against us or our customers or suppliers, with or without merit, could be time-consuming, expensive to litigate or settle, could divert management resources and attention and could force us to acquire intellectual property rights and licenses, which may involve substantial royalty or other payments and may not be available on acceptable terms or at all. Further, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages or obtain an injunction and we may also lose the opportunity to license our technology to others or to collect royalty payments. An adverse determination could also invalidate or narrow our intellectual property rights and adversely affect our ability to offer our products to our customers and may require that we procure or develop substitute products that do not infringe, which could require significant effort and expense. If any of these events were to materialize, our business, financial condition and results of operations could be materially adversely affected.

Certain of our products contain third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our products or expose us to other risks.

Our products contain software modules licensed to us by third-party authors under "open source" licenses. From time to time, there have been claims against companies that distribute or use open-source software in their products and services, asserting that open-source software infringes the claimants' intellectual property rights. We could be subject to suits by parties claiming infringement of intellectual property rights in what we believe to be licensed open-source software. Use and distribution of open-source software may entail greater risks than the use of third-party commercial software, as, for example, open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open-source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open-source software we use. If we combine our proprietary software with open-source software in a certain manner, HUB could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of product sales for HUB.

Although we monitor our use of open-source software to avoid subjecting our products to conditions we do not intend, the terms of many open-source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in a way that, for example, could impose unanticipated conditions or restrictions on our ability to commercialize our products. In this event, we could be required to seek licenses from third parties to continue offering our products, to make our proprietary code generally available in source code form, to re-engineer our products, or to discontinue the sale of our products if re-engineering could not be accomplished on a timely basis, and our business, financial condition and results of operations could be materially adversely affected.

In addition to patented technology, we rely on unpatented proprietary technology, trade secrets, designs, experiences, workflows, data, processes, software, and know-how.

We rely on proprietary information (such as trade secrets, designs, experiences, workflows, data, know-how, and confidential information) to protect intellectual property that may not be patentable or subject to copyright, trademark, trade dress, trade secrets or service mark protection, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, customers, contractors, and third parties. However, we may fail to enter into the necessary agreements, and even if entered into, such agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement, or misappropriation of our proprietary information, may be limited as to their term and may not provide adequate remedies in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our current or future manufacturing counterparties and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, customers, contractors, advisors, and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets.

We also rely on physical and electronic security measures to protect our proprietary information but cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights, and our business, financial condition and results of operations could be materially adversely affected.

Risks Related to Our Legal and Regulatory Environment

The dynamic regulatory environment around privacy and data protection may limit our offering or require modification of our products and services, which could limit our ability to attract new customers and support our existing customers and increase our operational expenses. We could also be subject to investigations, litigation, or enforcement actions alleging that we fail to comply with the regulatory requirements, which could harm our operating results and adversely affect our business.

Federal, state and international bodies continue to adopt, enact, and enforce new laws and regulations, as well as industry standards and guidelines, addressing cybersecurity, privacy, data protection and the collection, processing, storage, cross-border transfer and use of personal information.

We are subject to diverse laws and regulations relating to data privacy, including but not limited to the EU General Data Protection Regulation 2016/679 ("GDPR"), the California Consumer Privacy Act ("CCPA"), the Health Insurance Portability and Accountability Act as amended by the Health Information Technology for Economic and Clinical Health Act ("HIPAA"), the UK Data Protection Act 2018, national privacy laws of EU Member States and other laws relating to privacy, data protection, and cloud computing. These laws are evolving rapidly, as exemplified by the recent adoption by the European Commission of a new set of Standard Contractual Clauses, the prospect of a new European "ePrivacy Regulation" (to replace the existing "ePrivacy Directive," Directive 2002/58 on Privacy and Electronic Communications) and the California Privacy Rights Act, which took effect on January 1, 2023 and created obligations with respect to certain data relating to consumers, significantly expanded the CCPA, including by introducing additional obligations such as data minimization and storage limitations, granting additional rights to consumers, such as correction of personal information and additional opt-out rights, and created a new entity, the California Privacy Protection Agency, to implement and enforce the law. Similar laws coming into effect in U.S. states, adoption of a comprehensive U.S. federal data privacy law, and new legislation in international jurisdictions may continue to change the data protection landscape globally and could result in us expending considerable resources to meet these requirements. Compliance with these laws, as well as efforts required to understand and interpret new legal requirements, require HUB to expend significant capital and other resources. We could be found to not be in compliance with obligations or suffer from adverse interpretations of such legal requirements either as directly relating to our business or in the context of legal developments impacting our customers or other businesses, which could impact our ability to offer our products or services, impact operating results, or reduce demand for our products or services.

Compliance with privacy and data protection laws and contractual obligations may require changes in services, business practices, or internal systems resulting in increased costs, lower revenue, reduced efficiency, or greater difficulty in competing with companies that are not subject to these laws and regulations. For example, GDPR and the UK compliance regime impose several stringent requirements for controllers and processors of personal data and increase our obligations such as, requiring robust disclosures to individuals, establishing an individual data rights regime, setting timelines for data breach notifications, imposing conditions for international data transfers, requiring detailed internal policies and procedures and limiting retention periods. Ongoing compliance with these and other legal and contractual requirements may necessitate changes in services and business practices, which may lead to the diversion of engineering resources from other projects. Additionally, given our overall cash position, liquidity concerns and lack of resources, we do not have sufficient capability to adequately maintain ongoing compliance with all relevant legal and contractual requirements or timely and properly implement new policies and procedures to comply with new and changing laws and regulations.

As a company that focuses on cybersecurity, our customers may rely on our products and services as part of their own efforts to comply with security control obligations under GDPR and other laws and contractual commitments. If our products or services are found insufficient to meet these standards in the context of an investigation into us or our customers, or we are unable to engineer products that meet these standards, we could experience reduced demand for our products or services. There is also increased international scrutiny of cross-border transfers of data, including by the EU for personal data transfers to countries such as the U.S., following recent case law and regulatory guidance. This increased scrutiny, as well as evolving legal and other regulatory requirements around the privacy or cross-border transfer of personal data could increase our costs, restrict our ability to store and process data as part of our solutions, or, in some cases, impact our ability to offer our solutions or services in certain jurisdictions.

Enactment of further privacy laws in the U.S., at the state or federal level, or introduction of new services or products that are subject to additional regulations, as well as ensuring compliance of solutions that we obtained through acquisitions, may require us to expend considerable resources to fulfill regulatory obligations, and could carry the potential for significant financial or reputational exposure to our business, delay introduction to the market and affect adoption rates.

Claims that we have breached our contractual obligations or failed to comply with applicable privacy and data protection laws, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business. In addition to litigation, we could face regulatory investigations, negative market perception, potential loss of business, enforcement notices and/or fines (which, for example, under GDPR / UK regime can be up to 4% of global turnover for the preceding financial year or €20 / £17.5 million, whichever is higher).

Failure to comply with applicable economic sanctions laws and regulations could harm our business.

Failure to comply with trade compliance and economic sanctions laws and regulations of the U.S., the EU (including Germany), Israel and the UK and other applicable international jurisdictions could materially adversely affect our reputation and operations.

Our business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the EU, His Majesty's Treasury of the United Kingdom and other relevant sanctions authorities. Our global operations expose us to the risk of violating, or being accused of violating, economic and trade sanctions laws and regulations.

While we have taken certain precautions to prevent our solutions from being provided in violation of applicable trade controls laws and regulations, our products may have been in the past, and could in the future be, provided inadvertently, and without our knowledge, in violation of such laws. Violations of U.S. trade controls laws and regulations can result in significant fines or penalties and possible criminal liability for responsible employees and managers, in addition to potential reputational harm.

Any change in export or import regulations, economic sanctions or related laws or regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions by, or in our decreased ability to export or sell our solutions to, existing or potential end-customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions could adversely affect our business, financial condition, results of operations, and growth prospects.

Our business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories as well as other responses to Russia's military conflict in Ukraine, including indefinite suspension of operations in Russia and dealings with Russian entities by many multi-national businesses across a variety of industries.

As a result of Russia's military conflict in Ukraine, governmental authorities in the United States, the EU and the UK, among others, launched an expansion of coordinated sanctions and export control measures, including:

- blocking sanctions on some of the largest state-owned and private Russian financial institutions (and their subsequent removal from SWIFT);
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities;
- blocking sanctions against certain Russian businessmen and their businesses, some of which have significant financial and trade ties to the EU;
- blocking of Russia's foreign currency reserves and prohibition on secondary trading in Russian sovereign debt and certain transactions with the Russian Central Bank, National Wealth Fund and the Ministry of Finance of the Russian Federation;
- expansion of sectoral sanctions in various sectors of the Russian and Belarusian economies and the defense sector;
- United Kingdom sanctions introducing restrictions on providing loans to, and dealing in securities issued by, persons connected with Russia;
- restrictions on access to the financial and capital markets in the EU, as well as prohibitions on aircraft leasing operations;
- sanctions prohibiting most commercial activities of U.S. and EU persons in Crimea and Sevastopol;
- enhanced export controls and trade sanctions targeting Russia's imports of technological goods as a whole, including tighter controls on exports and reexports of dual-use items, stricter licensing policy with respect to issuing export licenses, and/or increased use of "end-use" controls to block or impose licensing requirements on exports, as well as higher import tariffs and a prohibition on exporting luxury goods to Russia and Belarus;
- closure of airspace to Russian aircrafts; and
- ban on imports of Russian oil, liquefied natural gas and coal to the U.S.

As the conflict in Ukraine continues, there can be no certainty regarding whether the governmental authorities in the United States, the EU, the UK or other counties will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories. Furthermore, in retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions.

We must be ready to comply with the existing and any other potential additional measures imposed in connection with the conflict in Ukraine. The imposition of such measures could adversely impact our business, including preventing us from performing existing contracts, recognizing revenue, pursuing new business opportunities or receiving payment for products already supplied or services already performed with customers.

Furthermore, even if an entity is not formally subject to sanctions, customers and business partners of such entity may decide to reevaluate or cancel projects with such entity for reputational or other reasons. As a result of the ongoing conflict in Ukraine, many U.S. and other multi-national businesses across a variety of industries, including consumer goods and retail, food, energy, finance, media and entertainment, tech, travel and logistics, manufacturing and others, have indefinitely suspended their operations and paused all commercial activities in Russia and Belarus. As a result of the outbreak of the war in Ukraine, we have ceased to conduct any business operations in the region. We may seek to resume operations in the area, dependent on the outcome of the hostilities. While we do not currently have any material operations or business in Russia or Ukraine, depending on the extent and breadth of sanctions, export controls and other measures that may be imposed in connection with the conflict in Ukraine, it is possible that our business, financial condition and results of operations could be materially and adversely affected.

We are subject to complex, evolving regulatory requirements that may be difficult and expensive to comply with and that could negatively impact our business.

Our business and operations are subject to a variety of often changing regulatory requirements in the countries in which we operate or offer our solutions, including, among other things, with respect to trade compliance, anti-corruption, sanction regimes, information security, data privacy and protection, tax, labor and government contracts. Compliance with these regulatory requirements may be onerous, time-consuming, and expensive, especially where these requirements are inconsistent from jurisdiction to jurisdiction, or where the jurisdictional reach of certain requirements is not clearly defined or seeks to reach across national borders. Regulatory requirements in one jurisdiction may make it difficult or impossible to do business in another jurisdiction. We may also be unsuccessful in obtaining permits, licenses, or other authorizations required to operate our business, such as for the marketing or sale or import or export of our products and services.

While we endeavor to implement policies, procedures and systems designed to achieve compliance with these regulatory requirements, there is no assurance that these policies, procedures, or systems will be adequate, that we or our personnel will not violate these policies and procedures or applicable laws and regulations or that we will have sufficient resources to meet these regulatory requirements or any changes to these regulatory requirements. Violations of these laws or regulations may harm our reputation and deter government agencies and other existing or potential customers or partners from purchasing our solutions. Furthermore, non-compliance with applicable laws or regulations could result in fines, damages, criminal sanctions against us, our officers, or our employees, restrictions on the conduct of our business and damage to our reputation.

Moreover, regulatory requirements are subject to constant updates, modifications and revisions by the authorities adopting and implementing such requirements which result in uncertainty as well as difficulties in planning ahead of time. Adapting our practices, policies and procedures to this ever-changing regulatory environment involves resources and time and requires our regulatory compliance teams to be on the watch for any actual or potential changes and may have an impact on our ability to pursue business opportunities and anticipate the future results.

We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 5737-1977, the Israeli Prohibition on Money Laundering Law, 5760-2000, and other anti-corruption, anti-bribery laws and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and generally prohibit companies and their employees and agents from directly or indirectly promising, authorizing, making, offering, soliciting, or receiving improper payments of anything of value to or from government officials or others in the private sector. As we increase our international sales and business, our risks under these laws may increase. Although we have internal policies and procedures, including a code of ethics and proper business conduct, reasonably designed to promote compliance with anti-bribery laws, HUB cannot be sure that our employees or other agents will not engage in prohibited conduct and render HUB responsible under the FCPA, the U.K. Bribery Act or any similar anti-bribery laws in other jurisdictions. Noncompliance with these laws could subject HUB to investigations, sanctions, settlements, prosecutions, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, collateral litigation, adverse media coverage and other consequences. Any investigations, actions or sanctions could harm our business, results of operations and financial condition.

If we fail to comply with environmental requirements, our business, financial condition, operating results and reputation could be adversely affected.

We are subject to various environmental laws and regulations, including laws governing the hazardous material content of our products, laws relating to real property and future expansion plans and laws concerning the recycling of Electrical and Electronic Equipment ("EEE"). The laws and regulations to which HUB may be subject to include the EU RoHS Directive, EU Regulation 1907/2006 — Registration, Evaluation, Authorization and Restriction of Chemicals (the "REACH Regulation") and the EU Waste Electrical and Electronic Equipment Directive (the "WEEE Directive"), as well as the implementing legislation of the EU member states. Similar laws and regulations have been passed or are pending in China, South Korea, Norway and Japan and may be enacted in other regions, including in the United States, and we may in the future be subject to these laws and regulations.

The EU RoHS Directive and the similar laws of other jurisdictions ban or restrict the presence of certain hazardous substances such as lead, mercury, cadmium, hexavalent chromium and certain fire-retardant plastic additives in electrical equipment, including our products. HUB attempts to comply with these laws, including research and development costs, costs associated with assuring the supply of compliant components and costs associated with writing off scrapped noncompliant inventory. HUB expects to continue to incur costs related to environmental laws and regulations in the future.

As part of the Circular Economy Action Plan, the European Commission amended the EU Waste Framework Directive ("WFD") to include a number of measures related to waste prevention and recycling, whereby HUB may be responsible for submitting product data to a database of hazardous substances established under the WFD and managed by the European Chemicals Agency. HUB may incur costs to comply with this new requirement.

The EU has also adopted the WEEE Directive, which requires electronic goods producers to be responsible for the collection, recycling and treatment of such products. Although currently our EU international channel partners may be responsible for the requirements of this directive as the importer of record in most of the European countries in which we sell our products, changes in interpretation of the regulations may cause us to incur costs or have additional regulatory requirements in the future to meet in order to comply with this directive, or with any similar laws adopted in other jurisdictions.

Our failure to comply with these and future environmental rules and regulations could result in reduced sales of our products, increased costs, substantial product inventory write-offs, reputational damage, penalties and other sanctions.

Investors' expectations of our performance relating to environmental, social and governance factors may impose additional costs and expose us to new risks.

There is an increasing focus from certain investors, employees and other stakeholders concerning corporate responsibility, specifically related to environmental, social and governance ("ESG") matters. Some investors may use these factors to guide their investment strategies and, in some cases, may choose not to invest in our company if they believe our policies relating to corporate responsibility are inadequate. Third-party providers of corporate responsibility ratings and reports on companies have increased to meet growing investor demand for measurement of corporate responsibility performance. The criteria by which our corporate responsibility practices are assessed may change, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. If we elect not to or are unable to satisfy such new criteria, investors may conclude that our policies with respect to corporate social responsibility are inadequate. We may face reputational damage in the event that our corporate social responsibility procedures or standards do not meet the standards set by various constituencies.

Furthermore, if our competitors' corporate social responsibility performance is perceived to be better than ours, potential or current investors may elect to invest with our competitors instead. In addition, in the event that we communicate certain initiatives and goals regarding environmental, social and governance matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, employees and other stakeholders or our initiatives are not executed as planned, our reputation and business, operating results and financial condition could be adversely impacted.

In addition, new sustainability rules and regulations have been adopted and may continue to be introduced in various states and other jurisdictions. For example, the SEC has adopted rules that require companies to provide expanded climate-related disclosures in their periodic reporting, which may require us to incur significant additional costs to comply and impose increased oversight obligations on our management and board of directors. Our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, access to capital and employee retention. Such ESG matters may also impact our third-party contract manufacturers and other third parties on which we rely, which may augment or cause additional impacts on our business, financial condition, or results of operations.

Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, financial condition and prospects.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal data, such as information that we may collect in connection with clinical trials in the U.S. and abroad. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulation, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations, fines and enforcement actions, claims by third parties and damage to our reputation, any of which could have a material adverse effect on our business, financial condition and prospects.

As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. For example, the State of Israel has implemented data protection laws and regulations, including the Israeli Protection of Privacy Law of 1981. In addition, the California Consumer Privacy Act of 2018, or CCPA, went into effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches has increased the likelihood, and risks associated with data breach litigation. The CCPA increases our compliance costs and potential liability, and many similar laws have been proposed at the federal level and in other states, including in Utah, Connecticut, Virginia, and Colorado. Further, the California Privacy Rights Act, or CPRA, generally went into effect on January 1, 2023 and significantly amends the CCPA. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may also be required. In the event that we are subject to or affected by Israeli data protection laws, the CCPA, the CPRA or other domestic or foreign privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

In Europe, the GDPR went into effect in May 2018 and imposes strict requirements for processing the personal data of individuals within the European Economic Area, or EEA. Companies that must comply with the GDPR face increased compliance obligations and risk, robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States In July 2020, the Court of Justice of the EU, or CJEU limited how organizations could lawfully transfer personal data from the EU/EEA to the United States by invalidating the Privacy Shield for purposes of international transfers and imposing further restrictions on the use of standard contractual clauses, or SCCs. In March 2022, the United States and EU announced a new regulatory regime intended to replace the invalidated regulations; however, this new EU-US Data Privacy Framework has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. European court and regulatory decisions subsequent to the CJEU decision of July 16, 2020 have taken a restrictive approach to international data transfers. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Further, from January 1, 2021, companies have had to comply with the GDPR and also the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and adversely affect our business, financial condition and prospects.

Our business could be negatively affected as a result of the actions of activist shareholders, and such activism could impact the trading value of our securities.

In recent years, U.S. and non-U.S. companies listed on securities exchanges in the U.S. have been faced with governance-related demands from activist shareholders, unsolicited tender offers and proxy contests. Although as a foreign private issuer we are not subject to U.S. proxy rules, responding to any action of this type by activist shareholders could be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees. Such activities could interfere with our ability to execute our strategic plans. In addition, a proxy contest for the election of directors at our annual meeting would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and our board of directors. The perceived uncertainties due to such actions of activist shareholders also could affect the market price of our securities.

We may be required to indemnify our directors and officers in certain circumstances.

Our Articles of Association that became effective upon the closing of the Business Combination ("the "Articles", as further amended) allow us to indemnify, exculpate and insure our directors and senior officers to the fullest extent permitted under the Israeli Companies Law, 5759-1999 (the "Companies Law"). As such, we have entered into agreements with each of our directors and senior officers to indemnify, exculpate and insure them against some types of claims, subject to dollar limits and other limitations. Subject to Israeli law, these agreements generally provide that HUB will indemnify each of these directors and senior officers for any of the following liabilities or expenses that they may incur due to an act performed or failure to act in their capacity as directors or senior officers:

- Monetary liability imposed on the director or senior officer in favor of a third party in a judgment, including a settlement or an arbitral award confirmed by a court.

- Reasonable legal costs, including attorneys' fees, expended by a director or senior officer as a result of an investigation or proceeding instituted against the director or senior officer by a competent authority; provided, however, that such investigation or proceeding concludes without the filing of an indictment against the director or senior officer and either:

    - No financial liability was imposed on the director or senior officer in lieu of criminal proceedings, or

    - Financial liability was imposed on the director or senior officer in lieu of criminal proceedings, but the alleged criminal offense does not require proof of criminal intent.

- Reasonable legal costs, including attorneys' fees, expended by the director or senior officer or for which the director or senior officer is charged by a court:
- in an action brought against the director or senior officer by us, on our behalf or on behalf of a third party,
- in a criminal action in which the director or senior officer is found innocent, or
- in a criminal action in which the director or senior officer is convicted, but in which proof of criminal intent is not required.

We are subject to a number of securities class actions and other litigations and could be subject to additional litigation in the United States, Israel or elsewhere that could negatively impact our business, including resulting in substantial costs and liabilities.

From time to time, we are subject to litigation or claims that could negatively affect our business operations and financial position. We and certain of our directors and officers have been named as defendants in a number of lawsuits that could cause us to incur unforeseen expenses, service disruptions, and otherwise occupy a significant amount of our management's time and attention, any of which, if determined adversely to us, could have a material adverse impact on our business, financial condition, results of operations, cash flows, growth prospects and reputation.

For additional information on these class action and other lawsuits and for information concerning additional litigation proceedings, please refer to Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Legal and Arbitration Proceedings.".

We also from time to time receive inquiries and subpoenas and other types of information requests from government regulators and authorities and we may become subject to related claims and other actions related to our business activities. While the ultimate outcome of investigations, inquiries, information requests and related legal proceedings is difficult to predict, such matters can be expensive, time-consuming and distracting, and adverse resolutions or settlements of those matters may result in, among other things, modification of our business practices, reputational harm or costs and significant payments, any of which could negatively affect our business operations and financial position.

Our current and future cash balances and investment portfolio may be adversely affected by market conditions and interest rates.

We currently have limited cash resources and liquidity. As our business grows, we anticipate having larger reserves of cash in the future. As such we expect to maintain balances of cash and cash equivalents for purposes of acquisitions and general corporate purposes. While we do not currently hold any marketable securities, there is no guarantee that we will not maintain marketable securities in the future. The performance of the capital markets affects the values of funds that are held in marketable securities. These assets are subject to market fluctuations, changes in interest rates and credit spreads, market liquidity and various other factors, including, without limitation, rating agency downgrades that may impair their value, or unexpected changes in the financial markets' healthiness worldwide. In addition, in case we hold liquid investments in the future and would like to liquidate some of our investments and turn them into cash, we will be dependent on market conditions and liquidity opportunities, which may be impacted by global economic trends.

Risks Related to Being a U.S. Listed Public Company

We will continue to incur increased costs as a result of operating as a U.S. listed public company, and our management will need to devote substantial time to new compliance initiatives.

As a newly public company subject to reporting requirements in the United States, we are incurring significant legal, accounting and other expenses that we did not incur prior to completing the Business Combination and listing in the United States, and these expenses may increase even more after we are no longer an emerging growth company, as defined in Section 2(a) of the Securities Act. As a public company in the United States, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC and Nasdaq. Our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives. Moreover, these rules and regulations have substantially increased our legal and financial compliance costs and have made some activities to be more time-consuming and costly. Further, as a result of the Internal Investigation discussed above, we failed to timely file this Annual Report. As a result the preparation and filing of this Annual Report was exceedingly time consuming and costly for us and we cannot be certain that similar situations would not occur in the future. Additionally continued delinquency in future filings could lead to the SEC instituting administrative proceedings pursuant to Section 12(j) of the Exchange Act to suspend or revoke the registration of our ordinary shares. The increased costs will likely increase our net loss in the short term. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain and maintain our director and officer liability insurance and we may ultimately be forced to accept reduced policy limits or incur substantially higher costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

A market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our securities.

The price of our securities has and may continue to fluctuate significantly due to general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business conditions and the release of our financial reports. Additionally, if our securities become delisted from Nasdaq and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange) or the combined company's securities are not listed on Nasdaq and are quoted on the OTC Bulletin Board, the liquidity and price of our securities may be more limited than if we were quoted or listed on the NYSE, Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If we fail to remediate our material weaknesses or if we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As discussed above, in connection with the review of our consolidated financial statements for the years ended December 31, 2023, 2022 and 2021 included in this Annual Report, our management identified material weaknesses in our internal control over financial reporting. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act, is accumulated and communicated to our principal executive and financial officers. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

We are also continuing to try to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls. In addition to our results determined in accordance with IFRS, we believe certain non-IFRS measures and key metrics may be useful in evaluating our operating performance. We present certain non-IFRS financial measures and key metrics in this Annual Report and intend to continue to present certain non-IFRS financial measures and key metrics in future filings with the SEC and other public statements. Any failure to accurately report and present our non-IFRS financial measures and key metrics could cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ordinary shares.

While we are in the process of implementing remediation measures to address the material weaknesses identified by our management, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, additional material weaknesses or other weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations that we will be required to include in our second annual report that we file with the SEC and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will be required to include in our annual reports after we lose our status as an "emerging growth company." Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ordinary shares. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

We are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act. See "Item 15. Controls and Procedures—Management's Annual Report on Internal Control over Financial Reporting". This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. Additionally, while we remain an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

We continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. The company is working to improve its control system through the implementation of an internal audit. The process of procuring insurance includes conducting a risk survey to identify where there is an increased level of risk. This process allows for an intelligent lowering of the risk levels that the Company is exposed to by improving the control system.

Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed time frame or at all, that our internal control over financial reporting is effective as required by Section 404 of the Sarbanes-Oxley Act. If we cannot properly remediate our material weaknesses and develop our internal controls, or identify additional material weaknesses it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

Any failure to maintain effective disclosure controls and internal control over financial reporting could adversely affect our business, financial condition, and results of operations and could cause a decline in the price of our ordinary shares.

As a result of our business combination with a special purpose acquisition company, regulatory obligations may impact us differently than other publicly traded companies.

On February 28, 2023, we completed the Business Combination with RNER, a special purpose acquisition company, or SPAC, pursuant to which, on March 1, 2023, we became a publicly traded company in the United States. As a result of this transaction, regulatory obligations have, and may continue, to impact us differently than other publicly traded companies. For instance, the SEC and other regulatory agencies may issue additional guidance or apply further regulatory scrutiny to companies like us that have completed a business combination with a SPAC. Managing this regulatory environment, which has and may continue to evolve, could divert management's attention from the operation of our business, negatively impact our ability to raise additional capital when needed or have an adverse effect on the price of our ordinary shares and warrants.

Risks Related to Ownership of Our Ordinary Shares and Warrants

The market price and trading volume of our ordinary shares and warrants on Nasdaq may be volatile and could decline significantly.

The stock markets, including Nasdaq on which we have listed our ordinary shares and warrants under the symbols "HUBC," "HUBCW" and "HUBCZ," respectively, have from time to time experienced significant price and volume fluctuations. Even if an active, liquid and orderly trading market develops and is sustained for our ordinary shares and warrants, the market price of our ordinary shares and warrants may be volatile and could decline significantly. In addition, the trading volume in our ordinary shares and warrants has already and may continue to fluctuate and cause significant price variations to occur. The market price of our ordinary shares has already declined significantly in the limited period in which our securities have been trading on Nasdaq and if it declines further, you may be unable to resell your ordinary shares or warrants at or above the market price of the ordinary shares and warrants as of the date of this Annual Report. We cannot assure you that the market price of our ordinary shares and warrants will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following:

- the realization of any of the risk factors presented in this Annual Report or any additional filing that we make with the SEC;
- actual or anticipated differences in our estimates, or in the estimates of analysts, for our revenues, gross margin, Adjusted EBITDA, results of operations, liquidity or financial condition;
- additions and departures of key personnel;
- failure to comply with the requirements of Nasdaq;
- failure to comply with the Sarbanes-Oxley Act or other laws or regulations;
- regulatory inquiries or investigations resulting from our previously disclosed Internal Investigation;
- future issuances, sales, resales or repurchases or anticipated issuances, sales, resales or repurchases, of our securities including due to the expiration of contractual lock-up agreements;
- publication of research reports about us;
- the performance and market valuations of other similar companies;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors;
- new laws, regulations, subsidies, or credits or new interpretations of existing laws applicable to is;
- commencement of, or involvement in, litigation involving HUB;
- broad disruptions in the financial markets, including sudden disruptions in the credit markets;

- speculation in the press or investment community;
- actual, potential or perceived control, accounting or reporting problems;
- changes in accounting principles, policies and guidelines; and
- other events or factors, including those resulting from infectious diseases, health epidemics and pandemics (including the COVID-19 public health emergency or any resurgence thereof), natural disasters, war, acts of terrorism or responses to these events.

In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the market price of their shares. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us.

We must adapt our financial and disclosure systems and operations to meet the standards required for a company traded on Nasdaq and subject to U.S. securities regulations.

We are an Israeli company whose shares and warrants only recently began trading in the United States. Prior to the consummation of the Business Combination, our shares were traded on the TASE. Our accounting policies, corporate governance systems and compliance programs have been geared toward maintaining the standards that are applicable to Israeli companies. These standards differ, in some cases materially, from the standards that must be maintained by companies whose shares are traded on the Nasdaq and who are subject to rules and regulations of the SEC. Reworking our accounting, regulatory and compliance systems will require significant management attention in the several quarters following the Business Combination. Our failure to properly comply with these rules and regulations may attract regulatory attention, and result in fines, negative publicity and the loss of investor confidence. Any of these results may have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. HUB's management bases its estimates on various assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions. These could cause HUB's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in HUB's stock price. Significant assumptions and estimates used in preparing HUB's consolidated financial statements include those related to revenue recognition, valuation of inventory, accounting for business combination, contingent liabilities and accounting for income taxes.

Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between forecasted and actual tax rates.

We conduct business in several countries and is subject to taxation in many of such jurisdictions. The taxation of HUB's business is subject to the application of multiple and sometimes conflicting tax laws and regulations, as well as multinational tax conventions. HUB's effective tax rate will depend upon the geographic distribution of its worldwide earnings or losses, the tax regulations and tax holidays in each geographic region, the availability of tax credits and the effectiveness of its tax planning strategies. The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws themselves are subject to change as a result of changes in fiscal policy, changes in legislation and the evolution of regulations and court rulings. Consequently, tax authorities may impose tax assessments or judgments against HUB that could materially impact its tax liability and effective income tax rate.

The Organization for Economic Co-operation and Development ("OECD"), an international association comprised of 37 countries, including the United States, has issued and continues to issue guidelines and proposals that change various aspects of the existing framework under which HUB's tax obligations are determined in many of the countries in which it does business. Due to HUB's international business activities, any changes in the taxation of such activities could increase its tax obligations in many countries and may increase its worldwide effective tax rate.

We do not intend to pay dividends for the foreseeable future. Accordingly, you may not receive any return on investment unless you sell your HUB ordinary shares for a price greater than the price you paid for them.

We have never declared or paid any cash dividends on our shares. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on the HUB ordinary shares in the foreseeable future. Consequently, you may be unable to realize a gain on your investment except by selling such shares after price appreciation, which may never occur.

Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency, and amount will depend upon its future, operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that its directors may deem relevant. The Companies Law imposes restrictions on our ability to declare and pay dividends. "See "Dividend and Liquidation Rights" in Exhibit 2.1 to this Annual Report for additional information. Payment of dividends may also be subject to Israeli withholding taxes. See "*Item 10.E —Additional Information—Taxation*" for additional information.

Our actual financial results may differ materially from any guidance we may publish from time to time.

We may, from time to time, provide guidance regarding our future performance that represents our management's estimates as of the date such guidance is provided. Any such guidance would be based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies (many of which are beyond our control). Guidance is necessarily speculative in nature and it can be expected that some or all the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Our ability to meet any forward-looking guidance is affected by a number of factors, including, but not limited to, our ability to complete our certain projects and business initiatives in a timely manner, changes in operating costs, the availability of financing on acceptable terms, changes in policies and regulations, the availability of raw materials, as well as the other risks to our business described in this "Risk Factors" section. Our revenues from individual customers may also fluctuate from time to time based on the timing and the terms under which further orders are received and the duration of the delivery and implementation of such orders. Therefore, if our projected sales do not close before the end of the relevant quarter, our actual results may be inconsistent with our published guidance. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date such guidance is provided. Actual results may vary from such guidance and the variations may be material. Investors should also recognize the reliability of any forecasted financial data diminishes the farther into the future the data is forecast. In light of the foregoing, investors should not place undue reliance on our financial guidance and should carefully consider any guidance we may publish in context.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our ordinary shares or warrants adversely, then the price and trading volume of our ordinary shares could decline.

The trading market for our ordinary shares and warrants will be influenced by the research and reports that industry or financial analysts publish about our business. We do not control these analysts, or the content and opinions included in their reports. As a new public company, the analysts who publish information about our ordinary shares and warrants have had relatively little experience with us, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. In the event we obtain industry or financial analyst coverage, if any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding us, our share price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our share price or trading volume to decline.

We are eligible to be treated as an emerging growth company, as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors because we may rely on these reduced disclosure requirements.

We qualify as an emerging growth company within the meaning of the Securities Act, and we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, which could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are eligible to be treated as an emerging growth company, as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised financial accounting standards until such time as those standards apply to private companies. We intend to take advantage of this extended transition period under the JOBS Act for adopting new or revised financial accounting standards.

For as long as we continue to be an emerging growth company, we may also take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including presenting only limited selected financial data and not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As a result, our shareholders may not have access to certain information that they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if our total annual gross revenue exceeds $1.235 billion, if we issue more than $1.0 billion in non-convertible debt securities during any three-year period, or if before that time we are a "large accelerated filer" under U.S. securities laws.

We cannot predict if investors will find our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile. Further, there is no guarantee that the exemptions available to us under the JOBS Act will result in significant savings. To the extent that we choose not to use exemptions from various reporting requirements under the JOBS Act, we will incur additional compliance costs, which may impact our business, financial condition, results of operations, growth prospects and reputation.

We are a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. We qualify as a foreign private issuer under the Exchange Act, and consequently we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, although it is subject to Israeli laws and regulations with regard to certain of these matters and intend to furnish comparable quarterly information on Form 6-K. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, our next determination will be made on June 30, 2024. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We would also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

As we are a "foreign private issuer" and follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

As a foreign private issuer we have the option to follow certain home country corporate governance practices rather than those of Nasdaq, provided that we disclose the requirements we are not following and describe the home country practices we are following. We intend to rely on this "foreign private issuer exemption" with respect to the Nasdaq rules for shareholder meeting quorums and Nasdaq rules requiring shareholder approval. We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements.

As a company incorporated in Israel, even though we delisted our securities from the TASE, the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law") continues to apply and we are still be subject to certain reporting obligations in Israel unless otherwise exempt in accordance with Israeli law. We have petitioned the Israeli Securities Authority to cease our reporting requirements in Israel, given that we are no longer traded on the TASE, but the outcome of such petition remains uncertain and we may be forced to continue reporting pursuant to Israeli law requirements. We have not filed quarterly or annual reports under the Israeli Securities Law after we started reporting in the United States under the Securities Act in March 2023. This could result in the imposition of penalties under the Israel Securities Law. In addition, as a company incorporated in the State of Israel, regardless of the outcome of the petition to cease our reporting requirements in Israel, we will remain subject to the jurisdiction of the Companies Law that apply to all Israeli incorporated companies.

Our Articles provide that unless we consent to an alternate forum, the federal district courts of the United States shall be the exclusive forum of resolution of any claims arising under the Securities Act.

Our Articles provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for any claim asserting a cause of action arising under the Securities Act (for the avoidance of any doubt, such provision does not apply to any claim asserting a cause of action arising under the Exchange Act). Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may increase the costs associated with such lawsuits, which may discourage such lawsuits against us and our directors, officers and employees. However, the enforceability of similar forum provisions in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in the Articles. If a court were to find these provisions of the Articles inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, results of operations, growth prospects. Any person or entity purchasing or otherwise acquiring any interest in our share capital shall be deemed to have notice of and to have consented to the choice of forum provisions of the Articles described above. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

The listing of our securities on Nasdaq did not benefit from the process undertaken in connection with an underwritten initial public offering, which could result in diminished investor demand, inefficiencies in pricing and a more volatile public price for our securities.

Our ordinary shares and warrants are currently listed on Nasdaq under the symbols "HUBC," "HUBCW" and "HUBCZ," respectively. Unlike an underwritten initial public offering of the HUB securities, the initial listing of our securities as a result of the Business Combination did not benefit from the following:

- the book-building process undertaken by underwriters that helps to inform efficient price discovery with respect to opening trades of newly listed securities;
- underwriter support to help stabilize, maintain or affect the public price of the new issue immediately after listing; and
- underwriter due diligence review of the offering and potential liability for material misstatements or omissions of fact in a prospectus used in connection with the securities being offered or for statements made by its securities analysts or other personnel.

Underwriters have liability under the U.S. securities laws for material misstatements or omissions in a registration statement pursuant to which an issuer sells securities. Section 11 of the Securities Act ("Section 11") imposes liability on parties, including underwriters, involved in a securities offering if the registration statement contains a materially false statement or material omission. To effectively establish a due diligence defense against a cause of action brought pursuant to Section 11, a defendant, including an underwriter, carries the burden of proof to demonstrate that he or she, after reasonable investigation, believed that the statements in the registration statement were true and free of material omissions. In order to meet this burden of proof, underwriters in a registered offering typically conduct extensive due diligence of the registrant and vet the registrant's disclosure. Due diligence entails engaging legal, financial and/or other experts to perform an investigation as to the accuracy of an issuer's disclosure regarding, among other things, its business, prospects and financial results. Further, in an underwritten initial public offering, the use of projections and forecasts in the offering documentation, if used at all, is heavily scrutinized as part of the underwriters' due diligence. In making their investment decision, investors have the benefit of such diligence in underwritten public offerings. Investors must rely on the information in this Annual Report and our other public filings and will not have the benefit of an independent review and investigation of the type normally performed by an independent underwriter in a public securities offering. While sponsors, private investors and management in a business combination undertook a certain level of due diligence, it is not necessarily the same level of due diligence that would have been undertaken by an underwriter in a public securities offering and, therefore, there could be a heightened risk of an incorrect valuation of our business or material misstatements or omissions in our filings with the SEC.

In addition, because there were no underwriters engaged in connection with the Business Combination, prior to the opening of trading on the trading day immediately following the closing of the Business Combination, there was no traditional "roadshow" or book building process, and no price at which underwriters initially sold shares to the public to help inform efficient and sufficient price discovery with respect to the initial post-closing trades. Therefore, buy and sell orders submitted prior to and at the opening of initial post-closing trading of our securities did not have the benefit of being informed by a published price range or a price at which the underwriters initially sold shares to the public, as would be the case in an underwritten initial public offering. There were no underwriters assuming risk in connection with an initial resale of our securities or helping to stabilize, maintain or affect the public price of our securities following the closing of the Business Combination. Moreover, neither HUB nor RNER engaged in, nor did they, directly or indirectly, request financial advisors to engage in, any special selling efforts or stabilization or price support activities in connection with our securities that are outstanding immediately following the closing of the Business Combination. In addition, since we became public through a merger, securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our ordinary shares or warrants. No assurance can be given that brokerage firms will, in the future, want to conduct any offerings on our behalf. All of these differences from an underwritten public offering of our securities has resulted and could continue to result in a more volatile price for the our securities.

Such differences from an underwritten public offering may present material risks to unaffiliated investors that would not exist if we had become a U.S. publicly listed company through an underwritten initial public offering instead of upon completion of the Business Combination. Further, the lack of such processes in connection with the listing of our securities could result in diminished investor demand, inefficiencies in pricing and a more volatile public price of our securities during the period immediately following the listing than in connection with an underwritten initial public offering.

We may issue additional ordinary shares or other equity securities without seeking approval of our shareholders, which would dilute your ownership interests and may depress the market price of our ordinary shares and warrants.

We may choose to seek third party financing to provide additional working capital for our business, in which event we may issue additional equity securities or take out loans convertible into equity securities. We may also issue additional HUB ordinary shares or other equity securities of equal or, subject to applicable law, of senior rank in the future for any reason or in connection with, among other things, future acquisitions, the redemption of outstanding warrants or repayment of outstanding indebtedness, without shareholder approval, in a number of circumstances.

The issuance of additional HUB ordinary shares or other equity securities of equal or, subject to any applicable law, senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest in HUB will decrease;
- the amount of cash available per share, including for payment of any dividends in the future, may decrease;
- the relative voting strength of each previously outstanding ordinary share may be diminished; and
- the market price of our ordinary shares may decline.

We may also seek additional capital through debt financings. The incurrence of indebtedness would result in increased fixed payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt, to make capital expenditures, to create liens or to redeem shares or declare dividends, that could adversely affect our ability to conduct our business.

Future resales of our ordinary shares may cause the market price of our ordinary shares and warrants to drop significantly, even if our business is doing well.

Certain equity holders of RNER entered into the Sponsor Support Agreement with us. Pursuant to the Sponsor Support Agreement such RNER equity holders have agreed that, for a period of 9 months after the Closing Date, they will not transfer any of our ordinary shares, subject to certain limited exceptions.

Further, concurrently with the execution of the Business Combination Agreement, certain of our equity holders and certain equity holders of RNER entered into the Registration Rights Agreement, providing such holders with customary demand registration rights and piggy-back registration rights with respect to registration statements filed by us.

Upon expiration of the applicable lockup periods set forth in the Sponsor Support Agreement and upon the effectiveness of any registration statement we file pursuant to the above-referenced Registration Rights Agreement, in a registered offering of securities pursuant to the Securities Act or otherwise in accordance with Rule 144 under the Securities Act, our shareholders may sell large amounts of ordinary shares and warrants in the open market or in privately negotiated transactions, which could have the effect of increasing the volatility in the trading price of our ordinary shares or warrants or putting significant downward pressure on the price of our ordinary shares or warrants. Additionally, downward pressure on the market price of our ordinary shares or warrants likely will result from sales of our ordinary shares issued in connection with the exercise of warrants. Further, sales of our ordinary shares or warrants upon expiration of the applicable lockup period could encourage short sales by market participants. Generally, short selling means selling a security, contract or commodity not owned by the seller. The seller is committed to eventually purchase the financial instrument previously sold. Short sales are used to capitalize on an expected decline in the security's price. Short sales of our ordinary shares or warrants could have a tendency to depress the price of our ordinary shares or warrants, respectively, which could increase the potential for short sales.

Additionally, we agreed with the PIPE Investors to register the PIPE Shares on a resale registration statement following the closing of the Transactions. To date, we have completed $4 million of the $50 million of the expected PIPE Financing, and, while we are considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain that we will be able to receive the remaining PIPE funds. Should any or all of the PIPE investment be completed we will be required to register the shares that we issue to them. Once registered, these shares will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of RNER's or our "affiliates" as such term is defined in Rule 144 under the Securities Act. This additional liquidity in the market for our ordinary shares may lead to downward pressure on the market price of our ordinary shares.

If we or any of our subsidiaries are characterized as a Passive Foreign Investment Company ("PFIC") for U.S. federal income tax purposes, U.S. Holders may suffer adverse tax consequences.

A non-U.S. corporation generally will be treated as a PFIC for U.S. federal income tax purposes, in any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income. We believe we were not a PFIC in 2023. Based on the current and anticipated composition of our and our subsidiaries' income, assets and operations, there is a risk that we may be treated as a PFIC for future taxable years. Moreover, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that the Internal Revenue Service (the "IRS") will not take a contrary position or that a court will not sustain such a challenge by the IRS.

Whether we or any of our subsidiaries are a PFIC for any taxable year is a factual determination that depends on, among other things, the composition of our and our subsidiaries' income and assets, and the market value of our and our subsidiaries' shares and assets. Changes in the composition of our and our subsidiaries' income, composition or composition of assets may cause us to be or become a PFIC for the current or subsequent taxable years. Whether we are treated as a PFIC for U.S. federal income tax purposes is a factual determination that must be made annually at the close of each taxable year and, thus, is subject to significant uncertainty.

If we are a PFIC for any taxable year, a U.S. Holder (as defined in "Certain Material U.S. Federal Income Tax Considerations") of our ordinary shares or warrants may be subject to adverse tax consequences and may incur certain information reporting obligations. Such adverse consequences of PFIC status may be alleviated if a U.S. Holder makes a "mark to market" election or an election to treat us as a "qualified electing fund", or QEF. These elections would result in an alternative treatment (such as mark-to-market treatment) of our ordinary shares. A U.S. Holder may make a QEF election with respect to our ordinary shares only if we provide U.S. Holders on an annual basis with certain financial information specified under applicable U.S. Treasury regulations. There can be no assurance that we will have timely knowledge of our status as a PFIC in the future or that we will timely provide U.S. Holders with the required information on an annual basis to allow U.S. Holders to make a QEF election with respect to our ordinary shares in the event we are treated as a PFIC for any taxable year. U.S. Holders who hold or have held our securities during a period when we were or are a PFIC will generally be subject to the foregoing rules unless we cease to be a PFIC and such U.S. Holder makes a "deemed sale" election with respect to our ordinary shares. For a further discussion, see "Certain Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules." U.S. Holders of our ordinary shares and our warrants are strongly encouraged to consult their own advisors regarding the potential application of these rules to us and the ownership of our ordinary shares and/or warrants.

If a U.S. Holder is treated as owning at least 10% of our stock, such U.S. Holder may be subject to adverse U.S. federal income tax consequences.

For U.S. federal income tax purposes, if a U.S. Holder is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our stock, such person may be treated as a "United States shareholder" with respect to us, or any of our subsidiaries, if we or such subsidiary is a "controlled foreign corporation." If, as expected, we have one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as a controlled foreign corporation regardless of whether we are treated as a controlled foreign corporation.

Certain United States shareholders of a controlled foreign corporation may be required to report annually and include in their U.S. federal taxable income their pro rata share of the controlled foreign corporation's "Subpart F income" and, in computing their "global intangible low-taxed income," "tested income" and a pro rata share of the amount of certain U.S. property (including certain stock in U.S. corporations and certain tangible assets located in the United States) held by the controlled foreign corporation regardless of whether such controlled foreign corporation makes any distributions. The amount includable by a United States shareholder under these rules is based on a number of factors, including potentially, but not limited to, the controlled foreign corporation's current earnings and profits (if any), tax basis in the controlled foreign corporation's assets, and foreign taxes paid by the controlled foreign corporation on its underlying income. Failure to comply with these reporting obligations (or related tax payment obligations) may subject such United States shareholder to significant monetary penalties and may extend the statute of limitations with respect to such United States shareholder's U.S. federal income tax return for the year for which reporting (or payment of tax) was due. We cannot provide any assurances that we will assist U.S. Holders in determining whether we or any of our subsidiaries are treated as a controlled foreign corporation for U.S. federal income tax purposes or whether any U.S. Holder is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any holder information that may be necessary to comply with reporting and tax paying obligations if we, or any of our subsidiaries, is treated as a controlled foreign corporation for U.S. federal income tax purposes. U.S. Holders should consult their own advisors regarding the potential application of these rules to an investment in our ordinary shares or or warrants.

As a result of the Business Combination, the IRS may not agree that we should be treated as a non-U.S. corporation for U.S. federal income tax purposes.

Under current U.S. federal income tax law, a corporation generally will be considered to be a U.S. corporation for U.S. federal income tax purposes if it is created or organized in the United States or under the law of the United States or of any State. Accordingly, under generally applicable U.S. federal income tax rules, we, given our incorporation and tax residency in Israel, would generally be classified as a non-U.S. corporation for U.S. federal income tax purposes. Section 7874 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations promulgated thereunder, however, contain specific rules that may cause a non-U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. If it were determined that we are treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury regulations promulgated thereunder, we would be liable for U.S. federal income tax on our income in the same manner as any other U.S. corporation and certain distributions made by us to holders that are not U.S. Holders (as defined in "Certain Material U.S. Federal Income Tax Considerations") of our ordinary shares may be subject to U.S. withholding tax.

Based on the terms of the Business Combination and certain factual assumptions, we do not currently expect to be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code after the Business Combination. However, the application of Section 7874 of the Code is complex, subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by changes in such U.S. Treasury regulations with possible retroactive effect) and subject to certain factual uncertainties. Accordingly, there can be no assurance that the IRS will not challenge our status as a non-U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code or that such challenge would not be sustained by a court.

If the IRS were to successfully challenge under Section 7874 of the Code our status as a non-U.S. corporation for U.S. federal income tax purposes, we and certain of our shareholders may be subject to significant adverse tax consequences, including a higher effective corporate income tax rate and future withholding taxes on certain of our shareholders, depending on the application of any applicable income tax treaty that may apply to reduce such withholding taxes.

You should consult your own advisors regarding the application of Section 7874 of the Code to the Business Combination and the tax consequences if our classification as a non-U.S. corporation is not respected.

The remainder of this discussion assumes that we will not be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code.

Risks Related to Our Incorporation and Operations in Israel

Conditions in Israel could materially and adversely affect our business.

Many of our employees, including certain management members operate from our offices that are located in Tel Aviv, Israel. In addition, a number of our officers and directors are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business and operations. On the military front, in recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip, Lebanon and Syria against civilian targets in various parts of Israel, including areas in which our employees are located, which negatively affected business conditions in Israel. Any hostilities involving Israel, regional political instability or the interruption or curtailment of trade between Israel and its trading partners could materially and adversely affect our operations and results of operations.

In particular, October 7, 2023, thousands of Hamas terrorists invaded Israel's southern border from the Gaza Strip and conducted widespread brutal attacks on civilian and military targets. Hamas concurrently launched extensive rocket attacks on Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped hundreds of civilians and soldiers from Israel. Following the invasion, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas, and these terrorist organizations in parallel continued rocket and terror attacks against Israeli targets.

The Israel Defense Force (the "IDF"), the national military of Israel, is a conscripted military service, subject to certain exceptions. Several of our employees and management members are subject to military service in the IDF and have been and may be called to serve. Since the war with Hamas broke out and as of the date of this Annual Report, 42 of our 321 employees served in active duty, including our CEO and CTO. Military service call ups that result in absences of personnel for an extended period of time may materially and adversely affect our business, prospects, financial condition and results of operations.

Since the war broke out on October 7, 2023, our operations have not been adversely affected by this situation in a material manner, and we have not experienced material disruptions to our business operations. As such, our product and business development activities remain on track. However, the intensity and duration of Israel's current war against Hamas is difficult to predict at this stage, as are such war's economic implications on our business and operations and on Israel's economy in general. If the war extends for a long period of time or expands to other fronts, such as Lebanon, Syria and the West Bank, our operations may be adversely affected.

In addition, since the commencement of these events, there have been continual hostilities along Israel's northern border with Lebanon (with the Hezbollah terror organization) and southern border (with the Houthi movement in Yemen). It is possible that hostilities with Hezbollah in Lebanon will escalate, and that other terrorist organizations, including Palestinian military organizations in the West Bank as well as other hostile countries, will join the hostilities.

In addition, Iran recently launched a direct attack on Israel involving hundreds of drones and missiles and has threatened to continue to attack Israel and is widely believed to be developing nuclear weapons. Iran is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza, Hezbollah in Lebanon, the Houthi movement in Yemen and various rebel militia groups in Syria and Iraq. Such clashes may escalate in the future into a greater regional conflict. These situations may potentially escalate in the future to more violent events which may affect Israel and us.

Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions, could harm our results of operations and could make it more difficult for us to raise capital. Parties with whom we do business may decline to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel refusing to perform their commitments under those agreements. Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations and results of operations.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on its business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

Further, political conditions within Israel may affect our operations. Israel has held five general elections between 2019 and 2022, and prior to October 2023, the Israeli government pursued extensive changes to Israel's judicial system, which sparked extensive political debate and unrest. To date, these initiatives have been substantially put on hold. Actual or perceived political instability in Israel or any negative changes in the political environment, may individually or in the aggregate adversely affect the Israeli economy and, in turn, our business, financial condition, results of operations and growth prospects.

In addition, many Israeli citizens are obligated to perform several weeks of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. Our operations could be disrupted by such call-ups, which may include the call-up of members of our management. Such disruption could materially adversely affect our business, prospects, financial condition, and results of operations.

As a public company incorporated in Israel, we may become subject to further compliance obligations and market trends or restrictions, which may strain our resources and divert management's attention.

Being an Israeli company publicly traded in the United States and being subject to both U.S. and Israeli rules and regulations may make it more expensive for us to obtain directors and officers liability insurance, and we may be required to continue incurring substantially higher costs for reduced coverage. In addition, as a company that had publicly offered securities in Israel via prospectus, even though we were approved by the Israeli court and delisted from the TASE, the Israeli Securities Law shall continue to apply and we shall still be subject to certain reporting obligations in Israel unless otherwise exempt in accordance with Israeli law. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on its audit committee, and qualified executive officers. In accordance with the provisions of the Companies Law, approval of our directors and officers insurance is limited to the terms of our duly approved compensation policy, unless otherwise approved by our shareholders.

Our Articles and Israeli law could prevent a takeover that shareholders consider favorable and could also reduce the market price of our ordinary shares.

Certain provisions of Israeli law and the Articles could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us or for our shareholders to elect different individuals to our board of directors, even if doing so would be beneficial to our shareholders, and may limit the price that investors may be willing to pay in the future for the HUB ordinary shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law requires special approvals for certain transactions involving a company with its directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;
- Israeli corporate law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;
- Our Articles divide our directors into three classes, each of which is elected once every three years;
- Our Articles require that any amendment thereto will be approved by our board of directors, in addition to by a vote of the holders of a majority of our outstanding ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders;
- Our Articles do not permit a director to be removed except by a vote of the holders of at least 65% of the outstanding shares entitled to vote at a general meeting of shareholders; and
- Our Articles provide that director vacancies may be filled by the board of directors.

Further, Israeli tax considerations may make certain transactions undesirable to HUB or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires the tax becomes payable even if no disposition of the shares has occurred. See the section titled "*Taxation — Taxation of Our Shareholders*."

Provisions of Israeli law and the Articles may delay, prevent or make difficult an acquisition of HUB, prevent a change of control, and negatively impact our share price.

Israeli corporate law regulates acquisitions of shares through tender offers and mergers, requires special approvals for transactions involving directors, officers or significant shareholders, and regulates other matters that may be relevant to these types of transactions. Furthermore, Israeli tax considerations may make potential acquisition transactions unappealing to us or to some of our shareholders. For example, Israeli tax law may subject a shareholder who exchanges his or her ordinary shares for shares in a foreign corporation, to taxation before disposition of the investment in the foreign corporation. These provisions of Israeli law may delay, prevent or make an acquisition of HUB, which could prevent a change of control and, therefore, depress the price of our shares.

We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.

A significant portion of our intellectual property has been developed by our employees in the course of their employment by us. Under the Israeli Patents Law, 5727-1967 (the "Patents Law"), inventions conceived by an employee during and as a result of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent an agreement between the employee and employer providing otherwise. The Patents Law also provides that if there is no agreement between an employer and an employee determining whether the employee is entitled to receive consideration for service inventions and on what terms, this will be determined by the Israeli Compensation and Royalties Committee (the "Committee"), a body constituted under the Patents Law. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration, but rather uses the criteria specified in the Patents Law. Although we generally enter into agreements with our employees pursuant to which such individuals assign to us all rights to any inventions created during and as a result of their employment with us, we may face claims demanding remuneration in consideration for assigned inventions. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such monetary claims (which will not affect our proprietary rights), which could negatively affect our business.

Certain tax benefits that may be available to us, if obtained, would require us to continue to meet various conditions and such benefits may be terminated or reduced in the future, which could increase our costs and taxes.

We may be eligible for certain tax benefits provided to "Preferred Technological Enterprises" under the Israeli Law for the Encouragement of Capital Investments, 5719-1959, referred to as the "Investment Law". If we obtain tax benefits under the "Preferred Technological Enterprises" regime then, in order to remain eligible for such tax benefits, we will need to continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended. If these tax benefits are reduced, canceled or discontinued, our Israeli taxable income may be subject to Israeli corporate tax rates of 23% in 2018 and thereafter. Additionally, if we increase our activities outside of Israel through acquisitions, for example, our activities might not be eligible for inclusion in future Israeli tax benefit programs. See "*Taxation*."

It may be difficult to enforce a U.S. judgment against us, our officers and directors and the Israeli experts named in this Annual Report in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors and these experts.

Most of our directors or officers are not residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. directors and officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors.

Moreover, an Israeli court will not enforce a non-Israeli judgment if (among other things) it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), or if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, or if it was obtained by fraud or in absence of due process, or if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel, at the time the foreign action was brought.

Your rights and responsibilities as a shareholder will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.

We are incorporated under Israeli law. The rights and responsibilities of holders of the ordinary shares are governed by the Articles and the Companies Law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law each shareholder of an Israeli company has to act in good faith and in a customary manner in exercising his or her rights and fulfilling his or her obligations toward the company and other shareholders and to refrain from abusing his or her power in the company, including, among other things, in voting at the general meeting of shareholders and class meetings, on amendments to a company's articles of association, increases in a company's authorized share capital, mergers, and transactions requiring shareholders' approval under the Companies Law. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or who has the power under the articles of association to appoint or prevent the appointment of a director or officer in the Company, or has other powers toward the Company has a duty of fairness toward the Company. However, Israeli law does not define the substance of this duty of fairness. There is limited case law available to assist in understanding the implications of these provisions that govern shareholder behavior.

The Articles provide that unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between us and our shareholders under the Companies Law and the Israeli Securities Law.

The competent courts of Tel Aviv, Israel shall, unless we consent otherwise in writing, be the exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of ours to us or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli law and would not apply to claims brought pursuant to the Securities Act or the Exchange Act or any other claim for which federal courts would have exclusive jurisdiction. Such exclusive forum provision in the Articles will not relieve us of our duties to comply with federal securities laws and the rules and regulations thereunder, and shareholders will not be deemed to have waived our compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholders ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors or other employees, which may discourage lawsuits against us, our directors, officers and employees.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the combined company's ordinary share price, which could cause the price of our shares to fall and shareholders to lose some or all of their investment.

We may be forced to further write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in us reporting losses. Unexpected risks may arise and previously known risks may materialize. Even though these charges may be non-cash items and would not have an immediate impact on our liquidity, the fact that we may report charges of this nature could contribute to negative market perceptions of us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by our business or by virtue of the us obtaining additional debt financing. Accordingly, any of our shareholders could suffer a reduction in the value of their shares. Such shareholders are unlikely to have a remedy for such reduction in value.

Item 4. Information on the Company.

A. History and Development of the Company

HUB began operations in 1984 as A.L.D. Advanced Logistics Development Ltd. ("ALD") and is engaged in developing and marketing quality management software tools and solutions. HUB Cyber Security TLV Ltd. ("HUB TLV") was founded in 2017 by veterans of the elite Unit 8200 and Unit 81 of the Israeli Defense Forces, with vast experience and proven track records in setting up and commercializing start-ups in a multi-disciplinary environment. On February 28, 2021, HUB TLV and ALD signed a share swap merger agreement, pursuant to which HUB TLV became a wholly owned subsidiary of ALD and the shareholders of HUB TLV owned 51% of ALD's issued and outstanding share capital (the "ALD Merger"). The ALD Merger was completed on June 21, 2021 and ALD later changed its name to Hub Cyber Security (Israel) Ltd. and later to Hub Cyber Security Ltd. Following the ALD Merger, we have developed unique technology and products in the field of confidential computing, with the intention to be a significant player in the cyber security industry. In November 2023, HUB began to collaborate with BlackSwan Technology ("BST") with the goal of becoming a significant player in the secured data fabric industry. These technologies and solutions are mostly needed by government entities, banks and financial institutions, and large regulated enterprises. We currently operate in several countries and provide secured data fabric SaaS solutions (through the BST collaboration), as well as a wide range of cybersecurity professional services.

As of March 1, 2023, HUB began trading on Nasdaq following its Business Combination Agreement with Mount Rainier Acquisition Corp.

Corporate Information

Our website address is www.hubsecurity.com. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational purposes. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at www.sec.gov.

The main address of our principal executive offices is 2 Kaplan Street, Tel Aviv, Israel and our telephone number is +972-3-791-3200. Our agent for service of process in the U.S. is Puglisi & Associates, 850 Library Avenue, Newark, Delaware 19711. We are registered with the Israeli Registrar of Companies (registration number 511029373).

For a description of our principal capital expenditures and divestitures for the two years ended December 31, 2023 and for those currently in progress, see Item 5. "*Operating and Financial Review and Prospects*."

Recent Developments

Internal Investigation

On August 15, 2023, the Special Committee (the "Special Committee") of the board of directors (the "Board") of HUB, comprised of independent directors Ilan Flato and Nuriel Kasbian Chirich, announced that it had substantially completed its independent internal investigation (the "Internal Investigation") into, among other matters, the issues disclosed in the Company's previously announced Report on Form 6-K dated April 20, 2023.

The Board authorized the Special Committee to review documents, records and information of the Company, and to conduct interviews as the Special Committee deemed appropriate in order to conduct the Internal Investigation. In addition to investigating potential misconduct involving Eyal Moshe (our former Chief Executive Officer and President of U.S. Operations and former member of our board of directors) and Ayelet Bitan (former Chief of Staff), the Special Committee also conducted a review of the Company's financial department and relevant policies, procedures and internal controls.

In conducting the Internal Investigation, the Special Committee and its advisors reviewed documents collected from various custodians, interviewed witnesses and performed forensic accounting and data analytics testing, including an examination of the Company's financial records.

The Special Committee believed that it found sufficient evidence to support the following findings as a result of the Internal Investigation:

A. *Misappropriation by Eyal Moshe and Ayelet Bitan*. Mr. Moshe and Ms. Bitan misappropriated (from a Company bank account over which Mr. Moshe had sole signatory rights) a total of approximately NIS 2 million (approximately $582,000) for use in renovations of their private residence and other personal expenses.

B. *Payments to one of the Controllers*. One of the controllers, with the permission of Mr. Moshe, used Company credit cards for personal use in the amount of approximately NIS 400,000 (approximately $110,000). These personal expenses were neither factored into the controller's payroll nor properly documented in the Company's financial books and records. Additionally, Mr. Moshe approved a bonus of NIS 250,000 to the controller. However, this bonus was not paid to the controller but instead was paid to a third-party at the controller's direction.

C. *Payments to Contractors.* In certain instances, Mr. Moshe authorized payments to contractors without either (i) proper documentation and signatory approval; or (ii) approved budget and expense reports.

Board Actions in Response to the Special Committee's Findings

In light of the Special Committee's findings, the Board has taken and has directed us to take action to implement significant remedial measures. Mr. Moshe was formally terminated as an employee of the Company as of July 24, 2023 and resigned from the Board on August 15, 2023.

Two actions were undertaken against Ms. Bitan. In the initial action, the court granted an injunction preventing her from accessing her accumulated severance package. In the second action, it was requested that the court order that these sums be returned to us. In the action against Mr. Moshe, the court was requested to grant an injunction against accessing his accumulated severance package and to order the return of the sums to us. These actions are time limited, so the initial action against Ms. Bitan was initiated prior to the completion of the Special Committee Report and as such was based upon the limited information known at that time. The preliminary hearing in both of these cases is set for the coming months and both will be heard in front of the same judge who granted the injunction against Ms. Bitan.

We terminated the controller in accordance with Israeli law. Prior to the commencement of legal proceedings, the Company reached a settlement with the controller whereby the amount of the bonus in the amount of NIS 250,000 plus VAT was repaid to the Company and all his options and RSUs were cancelled.

The Company is also in the process of developing and implementing a number of additional remedial measures to enhance internal controls over financial reporting and disclosure controls. The Company and its independent auditors have determined that no restatement of the Company's previously issued financial statements is necessary or appropriate.

The Company is reporting in this Annual Report material weaknesses in internal controls over financial reporting related to these matters and also is reporting that its disclosure controls and procedures were not effective.

The Special Committee may continue to perform certain additional investigative steps if necessary or additional relevant information is discovered.

The events described above regarding the Special Committee and Internal Investigation are the subject of possible regulatory review and expose the Company and its directors and officers to possible investigations and possible enforcement actions by regulators both in Israel and the United States, including the ISA, SEC, Nasdaq and/or DOJ. The Company has provided certain information and documentation to certain regulatory authorities and is prepared to respond to any regulatory inquiry it may receive. If the Company were to be subject to an investigation or enforcement action from a regulatory agency it could have a material adverse effect on the Company's business, financial position and results of operations.

BST Collaboration

In November 2023, HUB began to collaborate with BlackSwan Technology ("BST") with the goal of becoming a significant player in the secured data fabric industry. These technologies and solutions are mostly needed by government entities, banks and financial institutions, and large regulated enterprises. As part of this collaboration, BST conducts activities directed by HUB to integrate BST technology with HUB technology, and HUB provides advisory services to BST in connection with BST's performance under specified commercial agreements. The parties are negotiating a collaboration agreement pursuant to which HUB expects to receive a license to any BST intellectual property created or developed as part of this collaboration. HUB ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST. There is no certainty that the parties will enter into a collaboration agreement or any other transaction between them.

March-June 2024 Financing Transaction

In March-June 2024, we sold to an accredited investor (the "March-June 2024 Investor"), in a series of unregistered private transaction, notes (the "March-June 2024 Notes") with an aggregate principal amount of $10,000,000, and warrants (the "March-June 2024 Warrants") pursuant to a Securities Purchase Agreement entered into with the March-June 2024 Investor (the "March-June 2024 Purchase Agreement"). Our acquisition of QPoint's shares that were not held by us to complete ownership of 100% of QPoint shares was partially funded by proceeds we received pursuant to the March-June 2024 Purchase Agreement.

The loan amount under the March-June 2024 Notes is repayable by the Company on the earlier of (i) August 10, 2024 with respect to 40% of the loan amount and September 24, 2024 with respect to the remaining 60% of the loan amount, or (ii) five (5) business days following the closing of a financing in the Company of at least $25,000,000. The principal amount under the March-June 2024 Notes carries a variable interest rate based on the date of repayment as follows: (a) with respect to $8,000,000 of the principal amount, (i) for the principal amount repaid on or prior to May 12, 2024, 7%, (ii) for the principal amount repaid following May 12, 2024 and on or prior to June 12, 2024, a rate between 7% and 8.5% of such principal amount computed by adding to 7% the result obtained by multiplying 1.5 by the quotient of the number of days elapsed in such period until (and including) the repayment date divided by the number of days in such period, and (iii) for the principal amount repaid following June 12, 2024, 8.5% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following June 12, 2024 and ending on the repayment date; and (b) with respect to $2,000,000 of the principal amount, (i) for the principal amount repaid on or prior to September 24, 2024, 10%, and (ii) for the principal amount repaid following September 24, 2024, 10% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following September 24, 2024 and ending on the repayment date. We are currently in discussions with the March-June Investor regarding our non-payment of the loan amount that came due on August 10, 2024.

If the March-June 2024 Notes are not repaid prior to the applicable maturity date, the March-June 2024 Investor may convert the applicable portion of the outstanding loan amount into the Company's ordinary shares at a rate equal to the arithmetic average of the closing price of the ordinary shares in the five (5) trading days prior to the date of conversion, provided that such conversion rate shall not be lower than $0.50. The loan amount is secured by a pledge on the shares of the Qpoint group. Additionally, for so long as the loan amount under the March-June 2024 Notes is outstanding, the Company has undertaken to cause the Qpoint group to adopt a dividend policy and designate dividend proceeds for the repayment of the loan amount.

The March-June 2024 Warrants issued under the March-June 2024 Purchase Agreement are exercisable as follows: (i) March-June 2024 Warrants exercisable into 4,444,444 ordinary shares are exercisable at an exercise price equal to $0.70 per share until March 12, 2027, (ii) March-June 2024 Warrants exercisable into 4,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until April 3, 2027, (iii) March-June 2024 Warrants exercisable into 1,000,000 ordinary shares are exercisable at an exercise price equal to $0.50 per share until June 26, 2027 and (iv) March-June 2024 Warrants exercisable into 2,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until June 26, 2027.

The conversion of the March-June 2024 Notes and the exercise of the March- June 2024 Warrants will be limited to the extent that, upon the conversion or exercise, the March- June 2024 Investor and its affiliates would in aggregate beneficially own more than 4.99% of the ordinary shares.

QPoint Purchase

On April 3, 2024, we acquired for NIS 25,000,000 in cash the shares of Qpoint that it did not yet own at that time, constituting 53.5% of Qpoint's outstanding shares. Payments were agreed to be carried out in three installments as follows: (i) NIS 4,000,000 on the signing date; (ii) NIS 16,000,000 on the closing date (which was April 8, 2024); (iii) Additional NIS 5,000,000 no later than February 10, 2025 (of which NIS 2,500,00 was already paid by June 5, 2024).

This acquisition is strategically aligned with the Company's mission to establish a leading global professional services and secure data fabric ecosystem. QPoint has a diverse customer base of over 100 renowned brand clients, including partnerships with Rafael Advanced Defense Systems, the developer of the "Iron Dome", the Israel Airport Authority and the Ministry of Defense of Israel.

QPoint, which was established in 2009, comprises five subsidiaries and provides solutions and consulting across various verticals, including innovative data management and security solutions. The strategic integration enhances HUB's capabilities in safeguarding sensitive information across various sectors.

QPoint has expertise in software engineering, testing, cybersecurity, ICT, web, mobile, project management and complex integration processes, which bring invaluable additions to HUB's portfolio and expands HUB's market reach, revenue stability and customer support. There is a significant cross-selling opportunity between QPoint and HUB's expanded offerings, with customers spanning various industries, including the healthcare, government, energy, defense, and financial sectors. The acquisition of QPoint not only significantly broadens HUB's customer base and service offerings as a result of QPoint's market presence and compelling service solutions, but also integrates a financially sound partner poised to make a significant contribution to HUB's overall financial well-being.

Liquidity

As a result of liquidity and cash flow concerns that have arisen due to the ongoing investigation and the delay in the filing of this Annual Report, along with other factors related to the Company's business operations, we face significant uncertainty regarding the adequacy of its liquidity and capital resources and its ability to repay its obligations as they become due.

The significant uncertainty regarding our liquidity and capital resources, our ability to repay our obligations as they become due, provides substantial doubt about our ability to continue as a going concern for the next twelve months from the date of issuance of this Annual Report. Our management is closely monitoring the situation and has been attempting to alleviate the liquidity and capital resources concerns through workforce reductions, interim financing facilities, negotiations with the Company's creditors and other capital raising efforts.

Following the filing of this Annual Report, the Company expects to be able to obtain additional sources of debt and equity financing, together with additional revenues from new business opportunities and has engaged with potential investors with regards to such financing alternatives. However, such opportunities remain uncertain and are predicated upon events and circumstances which are outside the Company's control. The inability to borrow or raise sufficient funds on commercially reasonable terms, would have serious consequences to the Company's business, financial condition, results of operations and growth prospects.

B. Business Overview

In this section "we," "us", "our" and "HUB" refer to HUB Cyber Security Ltd.

Overview

HUB currently focuses on two symbiotic lines of business: the Products and Technology Division - Secured Data Fabric and Confidential Computing; and the Professional Services Division (Consulting) – cyber security and other technology services. The symbiotic connection between the two offerings is deeply rooted in the company's strategy.

Traditional Approaches to Cybersecurity

Traditional cybersecurity technologies operate as a collection of unique purpose-built systems and components that mitigate different threats and risks within a network. All of these systems are being operated by expanding costly IT and cyber teams within organizations. Most organizations today have sophisticated methods for protecting data at rest (encrypted in storage), and data in transit (encrypted in transit). However, traditional approaches to cybersecurity do not address vulnerabilities to data in use, (when applications and data are processed). As a result, most companies are exposed to hacks by commercially available tools and techniques, even after investing heavily in perimeter defenses.

This common vulnerability of systems to exploit by hackers has been exacerbated by the recent shift to remote work and the increase in cell phone access to networks. This shift allows even simple devices such as phones, tablets and laptops to access networks and receive sensitive data. The connection of these simple devices to a network has created a network perimeter that is almost indefensible by traditional cybersecurity systems.

Data Fabric

Data Fabric is an architectural solution to process data for large applications such as Compliance, Risk, Know Your Customer, ESG. With a regular traditional solution, all the organization's data is moved continuously from tens of locations and data sources such as on-prem data, cloud, and also subscription data sources to a single location. The continuous transfer is costly, slow, and risky These "ETL" ("Extract, Transform and Load") solutions to move the data are expensive. Once the data is collected to a large data lake, which also entails a significant expenditure, the organization can start developing the algorithms needed depending on the required application. This way of resolving development and handling of data is required by regulators and is expensive and risky. It involves moving continuously large amounts of data.

The data fabric solution leaves most of the data as is in its prime original location. The system simply indexes the data using AI to understand what is there and what applications may need this data. It only fetches the required data (a very small percentage of the total data, which is mostly not needed) when it is needed. It then uses the data to perform the required operation and releases it back to its original location. This approach eliminates a major cost by not having to perform continuous ETL procedures and not needing a new data lake to collect all the organization's data.

Through the completion of the acquisition of QPoint and the ongoing collaboration with BST, we are seeking to become leading provider of secured data fabric solutions to the financial services market segment.

Confidential Computing

Confidential computing is a strong solution for cyber protection as it assumes that hackers have already infiltrated a computer and that an administrator's credentials have been compromised. HUB's zero trust confidential computing systems protect data and applications by running them within secure enclaves that are governed by policies and managed with strict, rules-based filters to prevent unauthorized access to the processor as well as by and between microservices. This approach ensures data security, unrelated of the vulnerability of the computing infrastructure.

Confidential computing places the network system into a "bunker" or trusted execution environment, and maintains strict control over how the system is accessed, and does not require any changes in the network operations which traditional cybersecurity solutions would otherwise require. According to the Everest Group, the Confidential Computing market is expected to grow by up to 90-95% each year through 2026 and will help to mitigate the threat of data breaches.

The potential benefits of confidential computing are immense, including data protection, ensuring security on data in use in the cloud, protecting intellectual property, allowing safe collaboration with external organizations on cloud, eliminating concerns over selecting cloud providers and protecting data processes for edge computing environments, such as IoT. HUB's zero trust confidential computing has a key strength in that it can minimize the vulnerability of data for all of these use cases by protecting data *in use*, that is, during processing or runtime.

Business Overview

We currently operate in several countries and provide innovative cybersecurity computing appliances, secured data fabric services (through the BST collaboration and completion of the QPoint acquisition) as well as a wide range of cybersecurity and reliability, availability, maintainability and safety (RAMS) professional services. Our zero trust confidential computing product has received positive initial market feedback, with detailed discussions held with interested parties in Israel, EMEA, APAC and the United States, including well established companies in the telecommunications, insurance, banking and technology sectors.

HUB's management team and board of directors includes, amongst others, Noah Hershcoviz (CEO, 15 years of experience), Lior Davidson (Interim CFO, nearly 15 years of experience), Nachman Geva (Chief Technology Officer, 25 years of experience), Osher Partok Rheinisch (Chief Legal, Compliance and Data Protection Officer with over 20 years of experience), Nuriel Kasbian Chirich (40 years of experience), Major-General (Ret.) Uzi Moskovich (Director, former head of the Cyber Communications and Defense Division of the Israel Defense Forces), and Ilan Flato (Director, 40 years of experience).

For the years ended December 31, 2023 and 2022, HUB generated $43 million and $50 million of revenue, respectively, including two customers that contributed more than 10% of HUB's total consolidated revenue in the year ended December 31, 2023. For the year ended December 31, 2023, the revenue HUB generated from each of the geographic markets in which it operates, Israel, Americas, Europe and Asia Pacific, amounted to $40.3 million, $334,000, $1.67 million and $290,000, respectively. For the year ended December 31, 2022, the revenue HUB generated from each of the geographic markets in which it operates, Israel, Americas, Europe and Asia Pacific amounted to $46.4 million, $339,000, $2.98 million and $294,000, respectively.

HUB is a trusted advisory and professional services facilitating cyber risk assessment, cyber risk mitigation, cyber incident response, quality reliability, and safety of critical systems and also selling technology products. HUB's management believes that HUB has great potential for growth and the ability to handle large and complex projects for governments and organizations by providing reliable secured data fabric and cybersecurity solutions for the sensitive data and critical infrastructure of these entities.

HUB is seeking to become a category leader and capture a leading position in the secured data fabric market, based on two major strategies:

- Focus on continuing the development of data fabric and confidential computing solutions to ensure HUB is able to meet the demands of an evolving and growing market; and

- Achieve rapid growth and market penetration through industry collaborations and mergers and acquisitions that can give HUB access to large clients and integration capabilities, to capture both market share and relevant additional technologies needed.

Since the start of 2021, HUB has completed three acquisitions of cybersecurity consulting services and distribution companies – ALD, Comsec and QPoint. This has provided HUB with an established and trusted customer base, including governmental agencies and enterprises that are prime targets for its data fabric and confidential computing solutions. As part of its business strategy, HUB is collaborating with BST and ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST, as well as additional acquisition targets, particularly in the United States. There is no certainty that the parties will enter into a collaboration agreement or any other transaction between them.

HUB intends to leverage the acquired companies' professional services, expert knowledge and understanding of customers' need to upsell its secured data fabric and confidential computing solutions. In addition, HUB intends to use its technological abilities to transform the acquired companies' services into products that can be sold widely, thereby accelerating HUB's revenue growth and increasing shareholder value.

Market Opportunity

Ever Growing Demand for Cybersecurity Consulting Services

The cybersecurity market continues to grow due to increased risks of breach and regulatory pressure. New or enhanced regulations like the NIS2 directive, privacy regulations like the GDPR and the newly enacted SEC disclosure rules that will require companies to disclose cyber incidents are expected to drive growth to bigger heights. According to Fortune Business Insights, the global cybersecurity market was valued at $172.3 billion in 2023 and is projected to reach $425.0 billion in 2030, growing at a compound annual growth rate ("CAGR") of 13.8% from 2023 to 2030.

As a result, the demand for cybersecurity consulting services increased as well and with a shortage of people entering the cybersecurity market, we believe our Professional Services department is positioned well for growth having served the market for over 30 years in this space and having updated our services and offerings to meet the new increased demands.

Demand for Effective Cybersecurity Solutions

According to the Official Cybercrime Report published by Cybersecurity Ventures, global cybercrime costs are expected to reach $10.5 trillion USD annually by 2025, up from $3 trillion in 2015. Based on a 2023 Sophos report, the average total cost of recovery from a ransomware attack increased from $1.4 million in 2022 to $1.82 million in 2023. In addition, Gartner has reported that the world-wide spending on cyber-defense grew at an annual rate of 14.3% in 2023 to $215 billion. According to CSO Online and IBM, in 2020, large enterprises spent on average 11% of their IT budgets on cybersecurity at an average cost of $2,000 per employee.

Despite increased spending on cybersecurity, the number and frequency of malicious attacks continues to grow. This means a new approach is needed to offer effective cybersecurity protection. Organizations are facing massive challenges as they attempt to manage and secure the explosion of data created within their organizations, which are in part created by remote environments. This, coupled with the lack of visibility across dispersed networks and growing migration to the cloud, has increased the risk of cyber-attacks.

According to Thoughtlab, the average number of attacks and breaches rose sharply in 2021 — the number of incidents rose 15.1%, while the number of material breaches increased 24.5%. According to IBM Security's Cost of a Data Breach Report 2021, the average cost of a healthcare data breach reached $9.42 million in 2021, a significant increase from $7.13 million in 2020. These figures may be underestimated because some organizations may fail to detect and under-report attacks. According to Gartner, enterprises trying to defend against those cyber threats have as many as 46 cybersecurity tools.

Healthcare breach costs have been the most expensive industry for 12 years. Material breaches — those generating a large financial loss, compromising many records or having a significant impact on business operations — increased even more, by 24.5% from 2020 to 2021.

This means that the traditional approach and tools for cybersecurity are not effective. In addition, under the current macroeconomic environment, enterprises are facing increasing pressure to control their spending and thereby rethink the strategy to cybersecurity protection. Top executives in enterprises are consistently looking for more cost-effective options to secure their companies, and chief information security officers are playing an increasingly important role in business operations.

According to Gartner's top eight cybersecurity predictions for 2022-23, 80% of enterprises will adopt a strategy to unify web, cloud services and private application access from a single vendor's security service edge platform by 2025. Similarly, enterprises are most likely to look for a consolidated and stronger cybersecurity solution, a solution offering a more holistic protection instead of accumulating more tools and related costs.

In the meantime, global cybersecurity regulators are strengthening their standards for data security and encryption. In a recently published report, Gartner indicates that through 2023, government regulations requiring organizations to provide consumer privacy rights will cover 5 billion citizens and more than 70% of global GDP. However, more needs to be done to mitigate cybersecurity threats, especially in the post-pandemic work environment.

According to Forbes, this growing issue of cybersecurity protection is affecting a wide range of industries, from healthcare and financial services to decentralized finance ("DeFi"). Emerging technologies such as artificial intelligence ("AI") and machine learning ("ML") are also expected to become increasingly important to prevent widespread attacks in vulnerable industries and to secure business operations.

In particular, HUB believes that there are two mega markets — edge computing and 5G, with a combined value of over $500 billion as of 2023 according to KPMG, that urgently require more effective cybersecurity protections. According to IDC, worldwide spending on edge computing is expected to reach $232 billion in 2024, an increase of 15.4% over 2023. Enterprise and service provider spending on hardware, software and services for edge solutions is forecasted to sustain this pace of growth through 2027, by when the spending is expected to reach nearly $350 billion. In addition, according to Gartner, 50% of data will be generated outside a traditional centralized data center or cloud through 2027. According to Markets and Markets, the global edge computing market is expected to grow from $53.6 billion in 2023 to $111.3 billion by 2028, growing at a CAGR of 15.7% from 2023 to 2028. On the other hand, according to Statista, the AI market is projected to reach $305.9 billion in 2024 and is expected to show a CAGR of 15.8% between 2024 and 20203, resulting in a market volume of $738.8 by 2030. Gartner believes that by 2025, approximately half of the large organizations will implement privacy enhancing computation to process data in untrusted environments as well as implement multiparty data analytics solutions.

The Data Fabric Market

According to Precedence Research, the global data fabric market size was valued at $2.1 billion in 2022 and was projected to reach $8.9 billion by 2032, poised to grow at a CAGR of 15.54% during the forecast period of 2023 to 2032, with North America having the largest market share in 2022 (47%). Furthermore, according to Precedence Research, in 2022, the banking, financial services and insurance sector accounted for 23% of the market share.

The Confidential Computing Market

Almost all of the leading technology companies are coming to recognize that confidential computing is a powerful trend and are investing heavily to provide their networks with this enhanced protection. They are also educating the market on the advantages of confidential computing.

With a projected market size of $54 billion by 2026, the long-term growth prospects for confidential computing are robust. In addition, the average data breach costs enterprises $4.35 million.

According to the Everest Research Group, although adoption of confidential computing is nascent, its potential is tremendous for both the enterprises that are adopting it and the technology and service providers that are enabling it. Everest estimates that the confidential computing market will reach $54 billion by 2026.

Total Addressable Market ("TAM") for confidential computing in 2021 was about $2 billion. The confidential computing market is expected to grow at a CAGR of at least 40 – 45% and up to 90 – 95% through 2026. Cyber risks, regulations, and avenues for incremental revenue are positioning confidential computing for exponential growth.

- **The hardware and software segments drive adoption.** Software Segment, driven particularly by cloud service providers, is likely to constitute approximately 60 – 70% of the TAM between 2021 and 2026. The Confidential Computing Hardware Segment is expected to approximately double every year through 2026. Contribution of Services Segments will grow marginally over the next five years.

- **Regulated industries will dominate the roll-out of confidential computing solutions.** Over 75% of market demand will be driven by regulated industries such as banking, finance, insurance, healthcare, life sciences, public sector and defense. Awareness of the benefits of confidential computing and willingness to invest in its adoption are expected to double across key regulated industries through 2026.

- **Enterprises in North America and Asia have the largest appetite.** Adoption of confidential computing is driven by data and privacy regulations. North America is expected to constitute approximately 40% of the overall TAM. APAC (excluding China) will comprise approximately 20 – 25% of TAM, with China independently accounting for approximately 10 – 15% of TAM. Europe is expected to account for about 25% of TAM due to its robust regulatory frameworks.

- **Key use cases reduce privacy and security risks.** Privacy and security use cases, particularly on public cloud, have gained the largest traction accounting for approximately 30 – 35% of overall TAM. Emerging technologies, such as multi-party computing and block chain, account for a large share of the market given how confidential computing enhances the value delivered by these technologies.

Technology Background

How Data Works in a Network

In a network setting, code and data are moved and stored in structured formats called packets. Within a network, packets exist in three states:

- **At rest** (stored in a memory) — packets at rest may include data that is stored in a mass storage system such as on the 'cloud' or in the network's own random access memory ("RAM") or storage drives.

- **In transit** (moving from component to component within a network) — data has been loaded into packets for sending into or out of a network or for moving between components inside a network. Code or data in packets are typically encrypted when in transit or at rest so that even if the packet is captured and sent out of the network, its data remains unreadable.

- **In use** (being worked on by a processor) — data is being processed by a CPU, GPU or other processor that run programs, algorithms, application programming interface ("APIs") or applications. Data in use is generally decrypted, and this decrypted data is a primary target of cyber-attackers.

Protecting Data in Use

Significant progress has been made in recent years to protect sensitive data in transit and in storage. However, sensitive data is still vulnerable when it is in use. For example, while Transparent Database Encryption ("TDE") ensures that sensitive data is protected in storage, that data must be stored in cleartext (i.e. in an unencrypted form) in the database buffer pool so that Structured Query Language ("SQL") queries can be processed. This renders the sensitive data vulnerable because its confidentiality may be compromised in several ways, including memory-scraping malware and privileged user abuse.

This concern around protecting data in use has been the primary reason that is holding back many organizations from saving on IT infrastructure costs by delegating certain computations to the cloud and from sharing private data with their peers for collaborative analytics.

Confidential computing and Fully Homomorphic Encryption ("FHE") are two promising emerging technologies for addressing this concern and enabling organizations to unlock the value of sensitive data. The FHE is an emerging cryptographic technique that allows developers to perform computations on encrypted data. This represents a paradigm shift in the relationship between data processing and data privacy. Previously, if an application had to perform some computation on data that was encrypted, this application would necessarily need to decrypt the data first, perform the desired computations on the clear data, and then re-encrypt the data. FHE, in comparison, has the ability to access an encrypted database and extract a register while encrypted, as well as execute and return the register while still encrypted. In other words, FHE can remove the need for the decryption-encryption steps by the application. As a result, FHE has the potential to change the way computations are performed by preserving end-to-end privacy. For example, users would be able to offload expensive computations to cloud providers and be ascertained that cloud providers will not have access to the users' data at all.

While it is expected to have similar functions as confidential computing, FHE is not ready for production yet, so it is not a realistic solution for addressing the pressing concerns in the cybersecurity space. The main hindrance for the growth and adoption of FHE has been its very poor performance. Despite significant scientific improvements, performing computations on encrypted data using FHE is still exponentially slower than performing the computation on the plaintext. In addition, converting a program that operates on unencrypted data to one that operates on encrypted data is very complicated and challenging. If not done properly, this translation can significantly increase the performance gap between computing on unencrypted data and the FHE-computation on encrypted data, thereby precluding wide adoption of the FHE technology.

HUB's Confidential Computing Solution

HUB believes that its confidential computing system is the only available model that meets today's cybersecurity challenges. Confidential computing protects data and applications by running them within secure enclaves to prevent unauthorized access. It protects data security, regardless of the vulnerability of the computing infrastructure. HUB's technology has been built by cyber experts who understand the methods of attack and deal with threats that other solutions cannot address.

HUB confidential computing solution is a hardware-based confidential computing platform that secures the entire compute and network stack, leveraging the digital twin technology and a new zero-trust paradigm to provide enhanced security and privacy for customers' most sensitive organizational applications and data, whether it's data at rest, in transit or in use. It enables security for any computing environment, including AI, edge computing, 5G, Metaverse, ransomware protection, e-Government and quantum. Since HUB's confidential computing solution completely isolates servers, it is applicable to data centers, private clouds and edge networks.

HUB's confidential computing solution is built on a "zero-trust" principle which assumes that all data and network components have been hacked and cannot be trusted. Each component must therefore check and authorize all code and data packets before they reach the component's CPU. This check must be done in a separate hardware space that is proximate to the CPU but not run by it.

The solution includes a dedicated hardware environment—root of trust, providing a higher level of security than a perimeter, a software or agent-based security solution. It automatically implements micro segmentation, web application firewall capabilities, Hardware Security Modules ("HSMs"), key management functionality, identity and access management services, interface gateway as well as stealth logging and monitoring.

HUB's combined hardware and software check all streams of code and data packets and prevent unauthorized packets from reaching the CPU, its related memory and its software. The software that checks the stream of packets must be located in the hardware and be run by a processor other than the CPU.

HUB's devices create a single path for data packets to enter and exit a networked component, so that no flow of unauthorized packets can reach or leave the component without being checked by the HUB device. The solution guards each layer of the software stack that is executed by a CPU or Graphics Processing Unit ("GPU"), from the data and application layer to the physical layer, and it monitors each flow of packets that reach the CPU or GPU of a component. HUB's solution provides a significant improvement over traditional "firewall" defenses that are designed to block the penetration of a network's perimeter but are largely ineffective at stopping hackers once they have breached into a network.

Essentially, HUB's confidential computing solution is to completely isolate data from the outside world protecting data from side-channel attacks. Side-channel attacks rely on information gained from implementing a computer system rather than weaknesses in the algorithm itself (e.g., cryptanalysis and software bugs). Cyber attackers are able to exploit information from various sources, including time, energy consumption, electromagnetic leaks, and even sound.

HUB began selling its confidential computing solution in 2018. HUB's solution is currently available as a stand-alone component to protect one or more servers, and as a peripheral component interconnect, or computer circuit board, card ("PCIe Card") that is inserted into a server or other network component.

HUB's confidential computing solution comprises four main components — 1) cyber digital twins, 2) permission and governance policy engine, 3) cryptographic engine, and 4) physical security of an appliance. Taken together, HUB's Confidential Computing solution offers world-class security. It provides seamless integration with existing systems and applications, which ensures no interference with work processes and can be customized to customer's precise requirements. In addition, the solution runs on a separate execution platform, making it even more secure since the security solution will not be hacked even if the network environment is hacked. At the same time, it is not a perimeter security solution that can be bypassed. More importantly, the solution works in stealth mode and is invisible to the attacker and the applications, so there is no need to change a network's current applications and architecture.

Permission and Governance Policy Engine

A policy engine is a software component that allows an organization to create, monitor and enforce rules about how network resources and the organization's data can be accessed. The policy engine authorizes users' and entities' access to protected resources. Its purpose is to only allow for a specific request or action, based on analysis of normal traffic and irregularities of timing and volume. HUB's aim is to have the right level of permissions setup for each asset inside the secure zone and have the right checks and balances for the approvals.

HUB's policy engine adopts the stealth logging feature, which offers an extra layer of support for log data integrity by further restricting attack vectors on the data itself. With stealth logging, HUB has created a highly secure authorization system for the entire network and computer stack, from hardware to layer-7 applications. Moreover, organizations can use the permission and governance policy engine to prevent privileged abuse of advanced hacking techniques with governance rules such as approval workflows and velocity checks. The approval workflows are configurable and allow for the segregation of duties.

Cryptographic Engine

A cryptographic engine operates as an internal high-security key manager for each application and service by operating as a self-contained, redundant cryptographic module. It replaces appliance and board-level cryptographic devices and creates and manages key encryption and decryption services.

The cryptographic engine serves as a hardware based root of trust for isolation and protection of incoming data and other services. It also generates and distributes keys to external servers and to the internal applications. In addition, it adopts a bi-directional physical and logical filtering to perform automated signature verification on each incoming and outgoing data packet.

Advantages of HUB's Solution

HUB believes that it has a strong advantage by already having its zero trust confidential computing solution developed and in the market. HUB believes it has a significant lead compared to its closest competitors and that it can offer customers greater protection against cyber threats at significantly lower costs.

HUB's solution enables secure computation and protects data across the entire compute and network stack, with an integrated hardware and software platform that is compatible across computing architectures with any CPU, GPU or field programmable gate arrays. This solution has a few unique features, including the facts that (i) it secures data in use, at rest and in transit, (ii) it ensures true isolation of the entire network stack and eliminates security hassles for customers, and (iii) it is able to integrate with existing network environment and does not need any modification to the network environment. These features will enable HUB to secure business opportunities with significant external or edge requirements such as AI collaboration, private 5G and Internet of Things ("IoT").

With the hardware isolation set-up, HUB's solution isolates the execution environment from network threats, thereby preventing any malicious access to stored data and applications. The cyber digital twin technique establishes a digital replica for any API to provide physical protection and threat detection and to prevent vulnerability exploitation, ensuring that the actual API is never exposed. Moreover, the governance and controls system within HUB's solution provides highly secure authentication and authorization for the entire network and compute stack, in order to prevent privileges abuse from advanced hacking techniques. The zero-trust security method also establishes a trust-zone boundary to completely protect the network from privileged access abuse. HUB's management believes that this solution is ready for quantum computing threats by integrating quantum key distribution and post-quantum algorithms. The solution can also be deployed quickly and at any place, from data centers to the edge, using automation and remotely secure update features.

HUB's solution is able to protect the digital assets of external data, as the twin (i.e. the digital replica) performs a number of security checks for every request before it is forwarded to the destination. An access check is done to verify identity, filter data and evaluate rules. A simulation check is carried out to validate the incoming request's impact on the original copy in real time. In addition, a manipulation check is conducted to proactively change the incoming requests and outgoing responses as needed, in order to keep the original application and data safe.

HUB's management believes that its solution also has the following additional advantages over traditional firewall solutions:

- Protects each networked component separately, so the component's cybersecurity is independent of the security of the rest of the network and mitigates targeted risks and threats.

- Checks packets both as they enter and as they leave the device so sensitive data is stopped before it can be hijacked out of the network.

- Checks packets and then restores them to their original state so legacy programs need not be adjusted to accommodate changed packet structures.
- Evaluates packets proximate to the component's processor and in-line with the stream of packets into the device so there is no slowing of throughput speed.
- Detects physical tampering with a component's works and erases data if tampering is detected before the data can be hijacked out of the component.
- Stores administration interfaces, access controls and user management policies in a separate and secure area that is not accessed by the CPU.
- Uses software that can be updated remotely and on the fly without risk of unauthorized alteration to the software.

HUB's Offerings

HUB's Products Division:

Confidential Computing:

HUB's confidential computing solution has three configurations (HUB Vault, HUB PCIe Card and Hub Guard) that are available for commercial sale. In addition to technology, HUB also provides advanced professional services that enable clients to assess their vulnerability to a cybersecurity attack as well as to quickly respond should one occur.

HUB Vault

HUB Vault is a managed file transfer application ("MFT") that protects critical data, enabling secure data storage and sharing through an application leveraging our secure compute core. Customers can use our technology for data sharing within the enterprise or supply chain, or white label the application for end users, suppliers or partners. HUB Vault is currently live with one commercial customer who intends to attempt to resell the capability to tens of thousands of end users. In September 2023, we announced that HUB Vault underwent a significant transformation to make it significantly more robust to match large enterprises' and governments' needs, making it easier than ever for organizations to secure and manage their sensitive data with the highest level of hardware-backed security.

HUB PCIe Card

HUB PCIe Card provides the same confidential computing functionality for a single compute component as HUB Appliance. HUB PCIe Card is configured onto a single computer board that is inserted into a compute component. It can be installed on an original equipment manufacturer ("OEM") basis by hardware or server manufacturers such as Hewlett-Packard and Dell. It can also be ordered separately and fitted into board slots of existing equipment. HUB PCIe Card was first offered for commercial sale in 2021 and is currently in full service in 2 installations.

HUB Guard

HUB is positioned as a leading and trusted advisor. Customers continue to utilize more services offered by HUB. By leveraging market-wide demand, HUB's technological capabilities, HUB's domain expertise and HUB's growing clientele, HUB is offering a cyber resilience bundle known as HUB Guard.

HUB Guard continuously evaluates the security posture of the customer while outlining any weaknesses or threats and suggesting solutions to mitigate and remediate them. HUB Guard introduces methodology for an ongoing alignment and evolvement of the cybersecurity posture.

First, enterprises require a continual and comprehensive understanding of their regulatory adherence and risk posture. HUB Guard assessments serve as systematic evaluations of processes, controls and systems to identify compliance gaps and vulnerabilities, enabling clients to proactively identify areas of non-compliance, security weaknesses and operational inefficiencies, allowing for timely remediation.

Second, enterprises have a need to proactively discover, analyze and address potential gaps in their security defenses and controls. HUB Guard allows clients to systematically identify and evaluate vulnerabilities, threats, and potential compliance gaps within their operations. By quantifying and scoring risks, organizations gain valuable insights into their risk landscape, enabling informed decision-making and resource allocation to mitigate those identified risks.

Third, enterprises require a means to monitor, respond to, and mitigate security incidents promptly while demonstrating their commitment to risk management, data protection and business continuity. The HUB Guard incident response enables rapid and transparent remediation to security events, minimizing the financial impact of incidents, protecting sensitive information, and preserving customer trust.

As part of HUB Guard, HUB intends to automate existing service offerings based on its technological capabilities. The conversion relates to various professional services that are offered by HUB, where the systems can be automated and merged with other products and utilized by the services teams and be operated on an ongoing basis. Moreover, we continually explore how to broaden the offerings of HUB Guard with new technologies and capabilities and thus expand coverage of customer needs. Both new offerings and existing ones are bundled into the dashboard and reflected in real time to the end customer, providing value and offering more and more service bundles to the customer. HUB Guard is offered in a one-to-three year subscription model and is marketed via partners and directly to both existing and new end customers.

Paid Proof of Concept, Pilots & Pipelines

Following the acquisition of Comsec, HUB has added a number of products and services to its portfolio and established a solid customer base of hundreds of leading enterprises and organizations in Israel, the Netherlands and the UK, including several government departments, banks and military branches.

HUB currently has a number of proof of concept activities, including having recently run trials with (i) a defense contractor in an Asian country regarding secure computing for military systems, which is currently offering HUB's products and solutions for resale and (ii) a secure file storage system bundled with cyber insurance offered in the Middle East and Europe to SMBs, which remains on going. HUB is also in discussions regarding potential proof of concept trials.

HUB's current pipeline includes signed agreements with enterprises and organizations in the defense and government sectors.

At the time of the Legacy acquisition, HUB's management believed that the acquisition could have the potential to bring in a considerable number of new enterprises and government customers within the EU and the Middle East. To date, we have yet to recognize any revenues or acquire new customers from the Legacy assets and it remains extremely uncertain as to when, if at all, we may be able to do so.

As of December 31, 2022, we determined that the assets acquired should be fully impaired. As such, for the year ended December 31, 2022, we recorded an impairment loss of $8,738 for the assets acquired from Legacy.

HUB's Professional Services Division:

The HUB Professional Services division is built upon three groups of subsidiaries: ALD, Comsec and QPoint.

Comsec

Comsec is a global leader in innovative cybersecurity services for more than 30 years to customers in Israel and across the world. The professional services portfolio provides consulting services to identify and mitigate risks in their cybersecurity environment.

Comsec specializes in governance risk compliance ("GRC") and strategic consulting services. The company helps clients assess their gaps to their relevant regulatory requirements and propose solutions to mitigate the gaps and become compliant. As part of the GRC offerings, there is focus on the credit card industry which has stringent requirements in place for implementation of cybersecurity controls. The team has a large number of qualified security assessors to work on these projects. HUB provides a chief information security officer as a service to clients that do not have sufficient internal resources to manage cybersecurity in their organization. Within compliance and GRC offering services there are GDPR and other regulatory compliance assessments and remediation work.

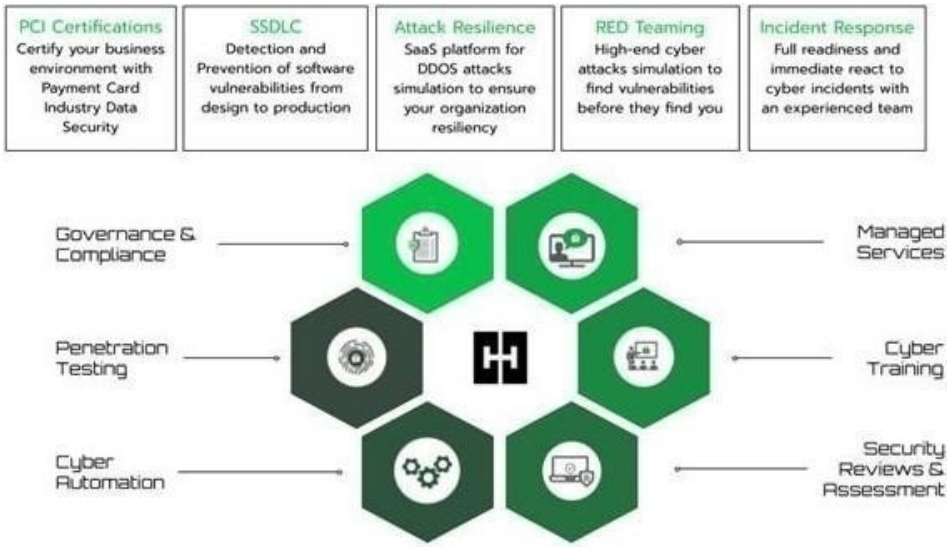
The application security offerings help organizations assess their risk and vulnerabilities in their application landscape. The services provided are aligned with the Secure Development Lifecycle ("SDLC") methodology and helps clients and their development departments with assessing risk (testing and threat modeling), training their developers, scanning code for vulnerabilities, recommending mitigation activities and implementation of security controls.

Offensive security offerings mimic what criminal organizations and or hackers are attempting to do to compromise organizations. The teams rely on their expertise and tooling to try and find vulnerabilities in the organization's environment and exploit them to access critical assets and systems. This enables clients to mitigate the found exploitations and plug gaps in their cybersecurity posture before being exploited by hackers and/or criminal organizations.

Infrastructure security services provide testing services on infrastructure-related equipment and environments. The team utilizes penetration testing equipment to validate the security posture and identify potential vulnerabilities with a focus on cloud computing.

Reacting to cyber incidents in a fast and decisive manner is key to mitigating harm. HUB has incident response teams available at all times to receive calls from clients that may be experiencing a breach or ransomware attack. The experienced teams investigate the incident and assist the client with activities to minimize the impact and get their operations back to normal.

HUB professional services also provides training to organizations employees in the field of cybersecurity. A catalog of over 50 training courses is available to the client base and market.



HUB professional services division provides services to more than 100 active clients and has served over 1,000 customers across industries and geographies. Customers include some of the largest banks, insurance companies, telecommunications organizations, industrial organizations and high tech companies around the globe. HUB also partners with organizations across the globe to provide their customers with the same high quality services that the HUB professional services division provides directly to customers. Partners include large outsourcing organizations as well as specialized niche companies that value the add-on services HUB can provide. HUB has more than 10 active partners operating in Italy, Turkey, India, Sri Lanka, Spain, UK, Poland and across South America.

HUB is exploring opportunities with the large outsourcing companies in Europe and around the world which lack a number of critical security services that HUB is able to provide. These organizations struggle with the demand and to provide high-quality profiles. This is where we believe HUB can provide a lot of value.

Comsec Competition and Competitive market

Although there are a large number of cybersecurity organizations, the market need fast outpaces the growth in our competitors. HUB stands out to the competition because its core services are developed and implemented in the Israeli market first. The Israeli market is demanding and innovative, and HUB has the opportunity to bring these innovative services to an international clientele.

Major competitors include global consulting firms. While these organizations are large, HUB stands out through innovative and cutting-edge services catered to the latest trends and threats. Other competitors are more country-specific cybersecurity services companies. Against these companies, HUB believes it can show its experience in the global market, the breadth and depth of the service portfolio and the quality of service.

ALD

RAMS - Reliability Products and Services

The reliability products and services division is built upon the acquisition of ALD, a global leader in innovative Reliability, Availability, Maintainability and Safety Assessment ("RAMS") products and services for more than 30 years to customers in Israel and across the globe.

The ALD consulting team consists of experts in the fields of RAMS, LCC and ILS. The team provides solutions in the fields of aviation, transportation, construction, infrastructure and renewable energy. Proposed solutions include preparation of RAMS and quality control plans, allocation of professional personnel to projects and establishment of quality systems and certification of standards.

As RAMS collects and analyses large amounts of data, it would be natural for Hub to include a Data Fabric solution to manage these data assets.

ALD Software

ALD Software Suite is a result of 40 years of expertise in development of safety and reliability analysis software for world-class civil and military aviation, communication, space and electronics organizations.

The software suite consists of a set of integrated tools covering reliability prediction, availability, maintainability analysis, safety assessment, quality management, safety management, industrial process control and more:

RAM Commander:

RAM Commander is the reliability and safety software that covers engineering tasks related to reliability of electronic, electro-mechanical and mechanical systems. RAM Commander modules include reliability prediction, RBD, fault tree analysis, event tree analysis, FMECA and testability analysis, FMEA process and design and more.

Safety Commander:

Safety Commander is an off-the-shelf software that provides fail-safe design for any System of System Safety Assessment ("SoSSA") across multiple industries, including aerospace, rail, communication and energy. With the ability to perform safety analysis integration on the level of an aircraft or system-of-systems, Safety Commander sets itself apart as a unique solution in the market.

FavoWeb:

FavoWeb FRACAS is ALD web-based and user-configurable Failure Reporting, Analysis and Corrective Action System ("FRACAS") that captures information about equipment or a process throughout its life cycle, from design, production testing, and customer support.

ALD College

ALD College offers various courses in the areas of quality and reliability. Our courses are designed for different levels of students and objectives. They range from short courses on quality control to full 250-hour academic courses on quality engineering. Courses correspond to the American Society for Quality's programming for the CQM/CQE/CRE/CSQE. Our courses are designed for both private participants and institutions. Courses for large customers can be tailored to meet specific needs and delivered at either ALD College or at the customer's site.

Outsourcing

In the framework of its outsourcing activity, ALD offers its customers a variety of services and solutions of positioning professional and qualified manpower in accordance to customers' needs and demands.

ALD specializes in locating, qualifying and placement of qualified manpower in the following areas: Quality Engineering, Quality Assurance, Failure Analysis, Reliability Engineering, Quality Control, FMEA/ FMECA Analyses, Standardization (ISO, AS) Thermal Design and Audits

QP*oint Technologies*

QPoint Technologies provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 350 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

HUB's Strategies

During the next five years, Hub is aiming to become a category leader in secured data fabric and confidential computing. This is a further application of our experience in capturing and managing of data gleaned from our cyber security business. Data management requires security and becomes one of the largest expenditures for any government and enterprise. HUB believes that it is ideally positioned to take advantage of the increased demand in confidential computing technology for effective protection of data.

The essential elements of HUB's strategies include:

Strengthening HUB's technological advantage by delivering innovative solutions. HUB believes that its technology is readily ahead of potential competitors as HUB's solution has a proven working technology, while others are at earlier stages of development. HUB intends to extend its significant technological advantage over its competitors by focusing on the development of its secured data solutions, enhancing its existing products and services, introducing new functionality and developing new solutions to address new use cases. HUB's strategy includes both internal development and an active mergers and acquisition program where HUB acquires or invests in complementary businesses or technologies. In particular, HUB is collaborating with BST and ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST, as well as additional acquisition targets, particularly in the United States. There is no certainty that the parties will enter into a collaboration agreement or any other transaction between them. HUB intends to leverage the acquired companies' professional services, expert knowledge and understanding of customers' need to upsell its secured data fabric and confidential computing solutions. In addition, HUB intends to use its technological abilities to transform the acquired companies' services into products that can be sold widely, thereby accelerating HUB's revenue growth and increasing shareholder value.

Growing HUB's customer base. HUB aims to acquire operating companies with established customer bases in the targeted segments, intending to upsell HUB's products to those customers and to convert existing services into products, to significantly increase revenue, market coverage, and shareholder value. In addition, the global threat landscape, digitalization of the enterprise, and the broad security skills shortage are contributing to the need for cyber solutions. HUB believes that every organization, regardless of size or vertical, needs cyber protection, yet HUB's primary focus is to pursue business with new customers in the enterprise, governments, and mid-market segments of the commercial market. HUB executes its strategy by leveraging a combination of internal marketing professionals and a network of channel partners to communicate the value proposition and differentiation for its products, generating qualified leads for its sales force and channel partners. HUB's marketing efforts also include public relations in multiple regions and extensive content development available through its website.

- ***Extending HUB's global go-to-market reach.*** HUB sells its solutions through a high-touch hybrid model that includes direct and indirect sales. HUB plans to expand its sales reach by adding new direct sales capacity, expanding its indirect channels by deepening its relationships with existing partners and by adding new value-added resellers, system integrators, managed security service providers and partners. HUB is also expanding its routes to market.

- ***Expanding HUB's relationships with existing customers.*** As of December 31, 2023, HUB had over 1,000 customers, primarily through its professional services division. HUB has worked hard to develop strong relationships with its customers, and its strategy includes its sales and distribution division expanding these relationships by growing the number of users who access HUB's solutions and cross-selling HUB's product solutions. HUB's marketing strategy is focused on building awareness and consideration of its broad range of cybersecurity solutions and developing new qualified leads; while increasing sales to existing customers.

- ***Driving strong adoption of HUB's solution and retaining HUB's customer base.*** HUB plans to deliver high levels of customer service and support and continue to invest in its professional services division to help ensure that its customers are up and running quickly and derive benefit from HUB's products which HUB believe will result in higher customer retention rates.

- ***Attracting, developing and retaining a diverse and inclusive employee base.*** A key pillar of HUB's growth strategy is attracting, developing and retaining its employees. HUB's people are one of HUB's most valuable assets, and its culture is a key business differentiator for HUB. HUB values diversity and inclusion which allows for the exchange of ideas, creates a strong community and helps ensure its employees are valued and respected.

HUB's Operations

Strategic Acquisitions

HUB has so far completed three acquisitions, as set forth below, which match its criteria for acquisition targets. HUB intends to continue identifying acquisition targets and acquiring companies and business assets that match its criteria, especially companies with well established relationships and long term contracts with the U.S. government, and apply lessons learned from these acquisitions when approaching new ones.

HUB's acquisition targets include companies with the following characteristics:

- Established customer base, preferably with long term relationships and preferably with a significant US presence.

- Supplying products and/or providing services to government agencies and enterprises that can benefit from confidential computing and data fabric and that have revenues and are growing.

- In-house teams with experiences and know how of working with customers with a good understanding of customers' needs and operations as customers' trusted advisor.

- A set of professional services with the potential to be transformed into products, so that revenues can be increased dramatically through upselling HUB's products and expanding the product offering generally.

- Having intellectual property rights in the area of AI, Gen AI, Knowledge graph and Data.

ALD

HUB merged with ALD in 2021. ALD was founded in 1984 and became publicly traded on TASE in 2000. ALD was an engineering services provider specializing in quality, reliability and safety control for complex engineering projects and dependability of mission critical processes. ALD's culture of exacting quality standards and superior reliability and safety is highly complementary with the cybersecurity industry's emphasis on impenetrability and safety from external or internal threats. It also renders services, through one of its subsidiaries, Qpoint Technologies Ltd. ("Qpoint"), in the field of information systems, software testing and outsourcing of professionals and in the field of development, testing and information systems. ALD's experience and reputation enable it to provide high-quality cybersecurity integration services to large-enterprise customers of HUB.

In 2023 and 2022, ALD had sales of $ 15,512,000 and $20,336,000 (respectively). ALD's customers include those in the aerospace, defense, government and transportation industries.

ALD consulting team consists of highly professional experts in the fields of RAMS, LCC, ILS. It also provides solutions in the fields of construction, infrastructure, and renewable energy. Among the proposed solutions: preparation of RAMS and quality control plans, allocation of professional personnel to projects and establishment of quality systems and certification of standards as needed.

Some of ALD customers are world leading commercial companies as well as major defense, transportation and government organizations.

ALD Products

ALD Software Suite is a result of 40 years of expertise in development of safety and reliability analysis software for many world leading civil & military aviation, communication, space and electronics organizations.

The software suite consists of a set of integrated tools covering Reliability prediction, Availability, Maintainability Analysis, Safety Assessment, Quality Management, Safety Management, Industrial Process Control and more:

RAM Commander

RAM Commander is the reliability and safety software that covers engineering tasks related to reliability of electronic, electro-mechanical and mechanical systems. RAM Commander modules: Reliability Prediction, RBD, Fault Tree Analysis, Event Tree Analysis, FMECA and Testability Analysis, Process & Design FMEA and more.

Safety Commander

Is an off-the-shelf software that provides fail-safe design for any SoSSA across multiple industries, including aerospace, railway, communication, and energy. With the ability to perform safety analysis integration on the level of aircraft or system-of-systems, Safety Commander sets itself apart as a unique solution in the market.

FavoWeb

FavoWeb FRACAS is ALD Software web based and user configurable Failure Reporting, Analysis and Corrective Action System ("FRACAS") that captures information about equipment or a process throughout its life cycle, from design, production testing, and customers support.

Comsec

In November 2021, the Company completed the acquisition of Comsec Ltd. and its Subsidiaries, Comsec Distribution Ltd. ("Distribution"). However, during 2023, Distribution, had financial, operational and commercial difficulties, cessation of sales starting July 2023, layoffs and departures of employees so that as of December 31, 2023 there were no business activities in Distribution.

In 2023 and 2022, Comsec had sales of $6.8 million and $36.9 million (respectively). Most of Comsec's customers are large enterprises, militaries and government agencies, and Comsec has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.

This customer profile matches the target market of HUB's confidential computing solution, so the process of integrating HUB's proprietary products with Comsec's existing offering has been smooth and efficient. Since the acquisition in 2021, Comsec's experienced sales and distribution staff have emerged as the primary driver of the market's acceptance of HUB's cybersecurity solutions.

Qpoint

In April 2024, we completed the acquisition of all shares of Qpoint that we did not yet own at that time, constituting 53.5% of Qpoint's outstanding shares.

QPoint Technologies provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 350 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

In 2023 and 2022, QPoint Group had sales of $26.9 million and $28.9 million (respectively). Most of QPoints's customers are large enterprises, militaries and government agencies, and QPoint has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.

BST Collaboration

In November 2023, HUB began to collaborate with BST with the goal to become a significant player in the secured data fabric industry. These technologies and solutions are mostly needed by government entities, banks and financial institutions, and large regulated enterprises. As part of this collaboration, BST conducts activities directed by HUB to integrate BST technology with HUB technology, and HUB provides advisory services to BST in connection with BST's performance under specified commercial agreements. The parties are negotiating a collaboration agreement pursuant to which HUB expects to receive a license to any BST intellectual property created or developed as part of this collaboration. HUB ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST. There is no certainty that the parties will enter into a collaboration agreement or any other transaction between them.

Operating Structure

HUB believes that in addition to developing superior technology, a technology company also needs a disciplined sales and distribution force and an experienced, customer-oriented professional service group. In particular, the sales force needs to bring established relationships with customers' IT procurement departments, and professional services consultants must have vast experience in adapting systems to meet the individual needs of customers and to provide excellent, long-term support to keep pace with the customer's security challenges. Through organic growth and strategic acquisitions, HUB has brought together the following three synergetic operating structures to solve client needs and efficiently take our products and solutions to market.

1. Professional Services Division

The professional services department is comprised of services performed by ALD, Comsec and QPoint.

a) ALD is in charge of providing quality control in complex engineering projects and ensuring smooth and reliable execution in mission critical processes.

b) Comsec provides cyber risk assessment, risk mitigation and cyber incident response services to customers worldwide. Comsec customers are large enterprises, militaries and government agencies, and Comsec has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.

c) QPoint Technologies provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 350 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

As of December 31, 2023 and August 13, 2024, HUB's professional services division had 206 and 310 employees, respectively.

HUB's management believes that in addition to serving customers with professional services, these employees are also essential for customization and integration of HUB's technology products into customers' networks.

2. *Management and Product Division*

- HUB's technology development team is in charge of research and development of HUB's Products solutions. The current focus on HUB's technology development organization is to continuously advance HUB's technology products solutions.

- HUB's product solutions are marketed and licensed on a direct basis to government agencies, defense organizations, research institutions and large enterprises.

- Marketing efforts also target OEMs and manufacturers of network components.

As of December 31, 2023 and August 13, 2024, HUB's Management and Product Division team had 32 and 33 employees, respectively, 12 and 11 of whom were dedicated to technology and product development, respectively.

Target Markets

HUB's primary target markets are large entities that handle highly sensitive data. These include, but are not limited to:

- Governmental institutions — both government agencies and militaries are expected to have significant demand for HUB's solution in order to process, store and encrypt/decrypt highly sensitive data.

- Financial institutions — these include banks, brokerage houses and insurance companies that require high speed processing, remote access and very high levels of security.

- Healthcare institutions — HUB anticipates that early adopters of its technology will be hospital chains, life science research institutions and pharmaceutical companies that process enormous data sets and face strict regulatory requirements for data security.

- Large, regulated enterprises and industries that are required by regulators to handle data in a responsible manner, such as ESG requirements.

Telecommunication and cellular operators who are ramping up to 5G service also present enormous market potential for HUB devices. The speed and data-handling capabilities of 5G services will take advantage of HUB's high throughput speed and protection. A HUB device installed in a cellular tower can provide cybersecurity for all data flowing in and out of the tower's 5G equipment.

Case Study — Edge Computing

Edge computing is a distributed computing paradigm that brings computation and data storage closer to the sources of data. Edge computing is expected to improve response times and save bandwidth. It is an architecture rather than a specific technology. It is a topology- and location-sensitive form of distributed computing.

As edge computing grows at a CAGR of 38.9% according to grandviewresearch.com, supplementing the cloud with data processing closer to the source, organizations are challenged to defend the massive number of new servers at those edge locations. With HUB solutions, the server that runs the application is built in the hardware. Standard networking architectures require separate boxes for HSMs, firewalls, web applications, and more. The cost of those boxes and associated maintenance and management can quickly get out of control, and the semiconductor supply shortage has made this market even more cumbersome to navigate.

HUB's PCIe solution, for instance, can be installed quickly and is simpler to use than industry-standard combination of solutions. It not only acts as the fortified gateway to the servers' computation parts, but it also protects data at rest, in transit, and in use. The superior performance and full computation stack are ideal for edge computing use cases and reduces the total cost of ownership up to 80% compared to standard solutions.

As cyber threats become more sophisticated, confidential computing has gained traction because it allows data to remain encrypted at all times. By implementing the smallest inclusive trust zone, an isolated computing environment with an end-to-end security stack, enterprises can rest assured that their edge environments are safe with centralized management and monitoring. HUB's solution includes a dedicated hardware environment, providing a higher level of security than a perimeter or agent-based security solution. It automatically implements micro segmentation, web application firewall capabilities, HSMs, key management functionality, identity and access management services, as well as stealth logging and monitoring.

Many cybersecurity tools do not work well together, yet tool sprawl is a real issue as enterprises continue to bolt on more systems with the hope to create a patchwork defense. The cost of maintenance and hiring new skilled workers is becoming more expensive year after year. By adopting HUB's solution, companies' chief information security officers can effectively manage costs incurred by the business to address cybersecurity challenges.

The HUB confidential computing platform takes the place of existing perimeter security and agent-based security software in data centers and critical edge cyber infrastructure. HUB's solution creates a protective shield that simplifies the cybersecurity approach while reducing enterprises' annual spending on capital expenditure and operating expenses.

Case Study — Critical Infrastructure & AI

According to a Gartner report released in December 2021, by 2025, 30% of critical infrastructure organizations will experience a security breach resulting in the shutdown of an operation, or mission-critical, cyber-physical system. As more critical infrastructures are connected to the internet or accessible to staff by remote desktop protocols and VPNs, they are increasingly targeted by nation-state backed hackers and cyber-criminal gangs interested in breaching and examining operational technology ("OT") networks to lay the groundwork for future campaigns. According to a Gartner survey, 38% of executives expected to increase spending on OT security by 5% to 10% in 2021, with another 8% expecting an increase of more than 10%.

In general, hackers start their attacks by installing malware that targets the utility companies' Supervisory Control and Data Acquisition ("SCADA") systems. Following these actions, the infrastructure may experience a power outage. The primary goal of AI for critical infrastructures is to maximize efficiency, eliminate errors, and reduce risks to the greatest extent possible. Innovations powered by AI, edge computing, 5G, IoT, and quantum computing provide enterprises and nations with a competitive advantage. This also applies to critical infrastructure, as these innovations will transform lives and lead to massive economic growth with the deployment of fully integrated Cyber-Physical Systems ("CPS") for critical infrastructure. However, as more scalable and automated systems are deployed, the attack surface for bad actors expands, resulting in new threats.

HUB's confidential computing solution is designed to secure AI-driven applications across critical infrastructures, allowing for faster and safer workflow. It creates secure enclaves for AI models and data, giving critical infrastructures working with machine learning and AI a competitive advantage. This approach enables multi-party analytics and collaboration by providing secure, isolated environments to protect the integrity and privacy of AI models and data. The platform can securely connect and run apps and data across critical infrastructure, ensuring it is protected against quantum and AI-based cyber-attacks.

Case Study — Healthcare

Although the healthcare industry generates approximately 30% of global data, healthcare providers continue to struggle with data security. The U.S. Department of Health and Human Services reported data breaches in the healthcare sector affecting more than 40 million people in 2021, with over 3.7 million people affected in the first two months of 2022. All estimates predict that data breaches in healthcare will continue to rise in the near future.

The following issues must be addressed:

- Data privacy challenges while implementing AI applications
- Sharing medical data
- Protecting cross-border data transfers of personal data
- Healthcare regulations and compliance (HIPAA, GDPR)
- Data breaches

Multiple hospitals, for example, may need to share MRI data with research institutions. In this case, a hacker may sit between the hospital and the research center, waiting for that data to appear and breach it at the appropriate time. The use of AI in healthcare is also rapidly expanding for the use of medical devices and other technologies. Healthcare is becoming more automated in order to improve efficiency (for both physicians and medical facilities), as medical applications commonly use AI as a diagnostic or treatment advisor to medical practitioners. However, combining healthcare and AI can be a double-edged sword: the more accurate a data needs to be, the more vulnerable the system is. If there is a data breach, surgeons will be unable to accurately predict MRI results, and patients will suffer greatly.

The solution HUB offers is the confidential computing platform, which is built to secure health data in AI-driven applications across the healthcare industry, so doctors can make faster and more accurate diagnoses. HUB utilizes confidential computing to create a secure enclave for AI models and data that brings a competitive advantage to healthcare providers working with machine learning and AI. By providing secure, isolated environments to protect the integrity and privacy of the AI models and data, this approach also allows for multi-party analytics and collaboration.

Competition

The cybersecurity market in which HUB operates is characterized by intense competition, constant innovation, rapid adoption of different technological solutions and services, and evolving security threats. HUB competes with a multitude of companies that offer a broad array of cybersecurity products and services that employ different approaches and delivery models to address these evolving threats.

HUB may face competition due to changes in the manner that organizations utilize IT assets and the security solutions applied to them. Cybersecurity spending is spread across a wide variety of solutions and strategies, including, for example, endpoint, network and cloud security, vulnerability management and identity and access management. Organizations continually evaluate their security priorities and investments and may allocate their cybersecurity budgets to other solutions and strategies and may not adopt or expand use of HUB's solution. Accordingly, HUB may also compete for budgetary reasons, to a certain extent, with additional vendors that offer threat protection solutions in adjacent or complementary markets to HUB's.

The principal competitive factors in HUB's market include:

- Breadth and completeness of a security solution;
- Reliability and effectiveness in protecting, detecting and responding to cyber attacks;
- Analytics and accountability at an individual user level;
- Ability of customers to achieve and maintain compliance with compliance standards and audit requirements;
- Strength of sale and marketing efforts, including advisory firms and channel partner relationships;
- Global reach and customer base;
- Scalability and ease of integration with an organization's existing IT infrastructure and security investments;
- Brand awareness and reputation;
- Innovation and thought leadership;
- Quality of customer support and professional services;
- Speed at which a solution can be deployed and implemented; and
- Price of a solution and cost of maintenance and professional services.

HUB believes it competes favorably with its competitors based on these factors. However, some of HUB's current competitors may enjoy one or some combination of potential competitive advantages, such as greater name recognition, longer operating history, larger market share, larger existing user base and greater financial, technical, and operational capabilities.

Our primary competitors in the network security industry consist of Cisco Systems, Inc., Juniper Networks, Inc., Fortinet Inc., Check Point Software Technologies Ltd. and Palo Alto Networks, Inc., as well as companies that have network security capabilities as part of broader IT solutions offerings, such as Microsoft Corporation, McAfee, Inc., International Business Machines Corporation, Hewlett-Packard Enterprise Company and FireEye, Inc. Competitors in the data fabric market include Atlan, IBM, Oracle, Talend, SAP, Informatica, Cloudera, TIBCO, Amazon Web Services and data.world.

Intellectual Property

HUB considers its trademarks, trade dress, copyrights, trade secrets, patent and other intellectual property rights, including those in its know-how and the software code of its proprietary solution, to be, in the aggregate, material to its business. HUB protects its intellectual property rights by relying on federal and state statutory and common law rights, foreign laws where applicable, as well as contractual restrictions.

As of December 31, 2023, we owned five registered patents in the United States, as well as two U.S. patent applications. In addition, HUB owns and uses trademarks and service marks on or in connection with its proprietary solution, including both unregistered common law marks and issued trademark registrations. Finally, HUB has registered domain names for websites that it uses in its business, such as https://hubsecurity.com/.

HUB designs, tests and updates its products, services and websites regularly, and it has developed its proprietary solutions in-house. HUB's know-how is an important element of its intellectual property. The development and management of its solution requires sophisticated coordination among many specialized employees. HUB takes steps to protect its know-how, trade secrets and other confidential information, in part, by entering into confidentiality agreements with its employees, consultants, developers and vendors who have access to confidential information, and generally limiting access to and distribution of HUB's confidential information.

While most of the intellectual property HUB uses is developed and owned by HUB, it has obtained rights to use intellectual property of third parties through licenses and services agreements. Although HUB believes these licenses are sufficient for the operation of its business, these licenses typically limit HUB's use of the third parties' intellectual property to specific uses and for specific time periods.

HUB intends to pursue additional intellectual property protection to the extent it believes would advance its business objectives and maintain its competitive position. Notwithstanding these efforts, there can be no assurance that HUB will adequately protect its intellectual property or that it will provide any competitive advantage. From time to time, HUB expects to face in the future allegations by third parties, including its competitors, that HUB has infringed their trademarks, copyrights, patents and other intellectual property rights or challenging the validity or enforceability of HUB's intellectual property rights. HUB is not presently a party to any such legal proceedings that, in the opinion of HUB's management, would individually or taken together have a material adverse effect on HUB's business, financial condition, results of operations or cash flows.

Government Regulation and Compliance

Data Protection Laws and Regulations

HUB is subject to various federal, state, and international laws and regulations that affect companies conducting business on digital platforms, including those relating to privacy, data protection, the Internet, mobile applications, content, advertising and marketing activities. New and evolving laws and regulations, and changes in their enforcement and interpretation, may require changes to HUB's technology, solutions, or business practices, which may significantly limit the ways in which HUB collects and processes data of individuals, communicate with users, serve advertisements and generally operate HUB's business. This may increase HUB's compliance costs and otherwise adversely affect HUB's business and results of operations. As HUB's business expands to include additional solutions and industries, and HUB's operations continue to expand internationally, HUB's compliance requirements and costs may increase and HUB may be subject to increased regulatory scrutiny.

The data HUB collects and otherwise processes is integral to HUB's business, technology, solutions and services, providing HUB with insights to improve its solution and customization and integration of its solution to customers' network. HUB's collection, use, receipt, storage and other processing of data in its business subjects it to numerous U.S. state and federal laws and regulations, and foreign laws and regulations, addressing privacy, data protection and the collection, storing, sharing, use, transfer, disclosure, protection and processing of certain types of data. Such regulations include, for example, the European Union General Data Protection Regulation 2016/679 (the "GDPR") as implemented by EU member states, the Privacy and Electronic Communications Directive 2002/58/EC, the UK Data Protection Act 2018 (which retains the GDPR under UK law), the Israeli Privacy Protection Regulations (Data Security) 2017, the Children's Online Privacy Protection Act, Section 5(a) of the Federal Trade Commission Act, and other applicable laws globally.

Our activities in the cybersecurity market require that we comply with laws and regulations in the area of data privacy and data protection governing the collection, use, retention, sharing and security of personal data. For example, the GDPR and UK DP Laws (each as referenced above), include operational requirements for companies that receive or process personal data of residents of the EU and the UK, and non-compliance may result in significant penalties. Many other countries in which we operate have their own data protection and data security laws that we need to comply with in collecting, utilizing, or otherwise processing personal data from our customers and/or visitors to their websites and others.

HUB also may be subject to the California Consumer Privacy Act, or the CCPA, which imposes heightened transparency obligations, creates new data privacy rights for California residents, and carries the potential for significant enforcement penalties for non-compliance as well as a private right of action for certain data breaches. We also may be subject to the California Privacy Act, or CPRA, which took effect on January 1, 2023 and created obligations with respect to certain data relating to consumers, significantly expanded the CCPA, including by introducing additional obligations such as data minimization and storage limitations, granting additional rights to consumers, such as correction of personal information and additional opt-out rights, and created a new entity, the California Privacy Protection Agency, to implement and enforce the law. Similar laws coming into effect in U.S. states, adoption of a comprehensive U.S. federal data privacy law, and new legislation in international jurisdictions may continue to change the data protection landscape globally and could result in us expending considerable resources to meet these requirements.

Non-compliance with these laws could result in fines, regulatory investigations, reputational damage, orders to cease or change HUB's processing of data, enforcement notices or assessment notices for a compulsory audit, civil claims for damages, as well as associated costs, diversion of internal resources and reputational harm. Although HUB takes extensive efforts to comply with all applicable laws and regulations, HUB can provide no assurance that it will not be subject to regulatory and/or private action, including fines for non-compliance with data protection and privacy laws, including in the event of a security incident.

HUB works to comply with, and to support customers and partners in their efforts to comply with, applicable laws and regulations relating to privacy, data protection and information security. HUB maintains privacy information notices for individuals whose personal data is processed, enters into data processing agreements, conducts data protection impact assessments, product and feature reviews, maintains a reasonably exhaustive list of data collected and processed, and responds to privacy-related queries and requests. HUB takes a variety of technical and organizational security measures and other procedures and protocols to protect data, including data pertaining to users and employees. Despite measures HUB puts in place, HUB may be unable to anticipate or prevent unauthorized access to or disclosure of such data.

To read more about HUB's approach to laws and regulations relating to privacy, data protection, and information security, please see the section titled "*Risk Factors — Risks Related to Our Legal and Regulatory Environment*."

Anti-Bribery, Anti-Corruption and Sanctions Laws and Regulations

Our operations are subject to anti-bribery and anti-corruption laws and regulations, including the Foreign Corrupt Practices Act ("FCPA"), and economic and trade sanctions, including those administered by the Office of Foreign Assets Control of the U.S. Treasury, the U.S. Department of State and the EU. These statutes generally prohibit providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. HUB may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of these laws.

Cybersecurity

In July 2023, the U.S. Securities and Exchange Commission adopted the Risk Management, Strategy, Governance, and Incident Disclosure Final Rule (the "Cybersecurity Final Rule") enhancing disclosure requirements for registered companies covering cybersecurity risk and management. The Cybersecurity Final Rule requires registrants to disclose material cybersecurity incidents on Form 8-K within four business days of a determination that a cybersecurity incident is material, and such materiality determination must be made without unreasonable delay. The rule also requires periodic disclosures of, among other things, details on the company's processes to assess, identify, and manage cybersecurity risks, cybersecurity governance, and management's role in overseeing such a compliance program, including the board of directors' oversight of cybersecurity risks. Certain reporting requirements under the Cybersecurity Final Rule become effective as early as December 2023.

We are in the process of designing and implementing a security program consisting of policies, procedures, and technology intended to maintain the privacy, security and integrity of our information, systems, and networks. Among other things, the program includes controls designed to limit and monitor access to authorized systems, networks, and data, prevent inappropriate access or modification, and monitor for threats or vulnerability. See "Risk Factors—Risks Related to Our Systems and Technology—*As a cybersecurity provider, if any of our systems, our customers' cloud or on-premises environments, or our internal systems are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our business may be harmed, and we may lose business and incur losses or liabilities*."

Other Regulations

In addition, HUB is subject or might be subject to laws and regulations relating to antitrust, competition, intellectual property, artificial intelligence (AI) and other matters. HUB has implemented internal policies designed to minimize and detect potential violations of laws and regulations in a timely manner, but can provide no assurance that such policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of its employees, consultants, agents, or partners.

Human Capital Resources

HUB has always strived to foster a culture that emphasizes the importance of its team and that values creativity, professionalism, transparency, obligation to dissent and responsibility. HUB believes that its hiring decisions reflect this culture.

Through multiple growth phases, HUB has drawn talent and leadership from the technology and cybersecurity industries to achieve its vision. As of December 31, 2023 and August 13, 2024, HUB, had approximately 223 and 321 employees, respectively worldwide, which includes the employees of all of HUB's wholly-owned subsidiaries. As of August 13, 2024, HUB had 37 employees. None of our employees are represented by a labor union, and HUB considers its employee relations to be in good standing. To date, HUB has not experienced any work stoppages.

Legal Proceedings

HUB is subject to claims and legal proceedings that have arisen both as a result of the Business Combination and the Company's commencement of trading in the United States and in the ordinary course of its business. Such matters are inherently uncertain, and there can be no guarantee that the outcome of any such matter will be decided favorably to the Company or that the resolution of any such matter will not have a material adverse effect upon the HUB's business, financial condition, results of operation, cash flows and reputation. HUB does not believe that any of such pending claims and legal proceedings will have a material adverse effect on its results of operations. HUB records a liability in its consolidated financial statements for such matters when a loss is known or considered probable and the amount can be reasonably estimated. HUB reviews these estimates each accounting period as additional information is known and adjusts the loss provision when appropriate. If a matter is both probable to result in a liability and the amounts of loss can be reasonably estimated, HUB estimates, provides the appropriate accrual and discloses the possible loss or range of loss to the extent necessary for its consolidated financial statements not to be misleading. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in its consolidated financial statements.

For a description of the Company's current legal proceedings, see Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Legal and Arbitration Proceedings." Inclusion of such proceedings by HUB is not an admission that these proceedings, if determined adversely to HUB, would have a material adverse effect on HUB's results of operations.

C. Organizational Structure

The following table sets forth our subsidiaries as of August 13, 2024, all of which are wholly owned, directly or indirectly, with the exception of ALD Software Ltd, of which we own 98.63%.

Name of Subsidiary	Jurisdiction of Organization
HUB Cyber Security TLV Ltd.	Israel
ALD Manpower Solutions Ltd.	Israel
ALD Software Ltd.	Israel
ALD College Ltd.	Israel
Qpoint Technologies Ltd.	Israel
Qpoint Solutions Ltd.	Israel
Aginix Engineering & Project Management Ltd.	Israel
Sensecom Consulting & Project Management Ltd.	Israel
Integral Tele-management Services Ltd.	Israel
HUB Cyber Security, Inc.	California, United States
Comsec Ltd.	Israel
Comsec Distribution Ltd.	Israel
Comsec International Information Security B.V	The Netherlands
Comsec Consulting Limited UK	United Kingdom
Hub Cyber Security GmbH	Germany
Mount Rainier Acquisition Corp.	Delaware, United States
DQS - IL (Management Systems Solutions) Ltd.	Israel
Israeli Institute for Certification and Standardization Ltd.	Israel

D. Property, Plants and Equipment

Our principal facilities are located in Tel Aviv, Israel which consist of approximately 643 square meters (approximately 6,921 square feet) of leased office space, and additional facilities in Or Yehuda (near Tel Aviv) which consist of approximately 1,600 square meters (approximately 17,222 square feet) of leased office space. These facilities currently accommodate our principal executive offices, research and development, account management, legal, marketing, business development, sales, finance, information technology, customer support and other administrative activities. HUB's employees are located in these two facilities. The lease for these facilities expires in August 2024 and March 2028 (respectively), and HUB has the option to extend the lease for an additional two and five years (respectively) beyond the current term. HUB has exercised the option of August 2024. HUB also currently leases offices in the Netherlands and expects to lease office space in the United States in the near term. HUB believes that its facilities are adequate to meet its needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of its operations.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

You should read the following discussion together with the consolidated financial statements and related notes included elsewhere in this Annual Report. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, planned investments in our expansion into additional geographies, research and development, sales and marketing and general and administrative functions as well as other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in Item 3.D entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" included elsewhere in this Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Certain information called for by this Item 5, including a discussion of the year ended December 31, 2022 compared to the year ended December 31, 2021 has been reported previously in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on August 15, 2023 under the section entitled "Item 5—Operating and Financial Review and Prospects."

Overview

HUB focuses on two symbiotic lines of business: – the Products Division - Confidential Computing and Secured Data Fabric; and the Professional Services Division (Consulting) – cyber security and other technology services. The symbiotic connection between the two offerings is deeply rooted in the Company's strategy.

Traditional Approaches to Cybersecurity

Traditional cybersecurity technologies operate as a collection of unique purpose-built systems and components that mitigate different threats and risks within a network. All of these systems operate by expanding costly IT and cyber teams within organizations. Most organizations today have sophisticated methods for protecting data at rest (encrypted in storage), and data in transit (encrypted in transit). However, traditional approaches to cybersecurity do not address vulnerabilities to data in use (when applications and data are processed). As a result, most companies are exposed to hacks by commercially available tools and techniques, even after investing heavily in perimeter defenses.

This common vulnerability of systems to exploit by hackers has been exacerbated by the recent shift to remote work and the increase in cell phone access to networks. This shift allows even simple devices such as phones, tablets and laptops to access networks and receive sensitive data. The connection of these simple devices to a network has created a network perimeter that is almost indefensible by traditional cybersecurity systems.

Confidential Computing

Confidential computing is a strong solution for cyber protection as it assumes that hackers have already infiltrated a computer and that an administrator's credentials have been compromised. HUB's zero trust Confidential Computing systems protect data and applications by running them within secure enclaves that are governed by policies and managed with strict, rules-based filters to prevent unauthorized access to the processor as well as by and between microservices. This approach ensures data security, unrelated to the vulnerability of the computing infrastructure.

Confidential computing places the network system into a "bunker" or trusted execution environment maintains strict control over how the system is accessed, and does not require any changes in the network operations which traditional cybersecurity solutions would otherwise require. According to the Everest Group, the Confidential computing market is expected to grow by up to 90-95% each year through 2026 and will help to mitigate the threat of data breaches.

The potential benefits of confidential computing are immense, including data protection, ensuring security on data in use in the cloud, protecting intellectual property, allowing safe collaboration with external organizations on cloud, eliminating concerns over selecting cloud providers and protecting data processes for edge computing environments, such as IoT. HUB's zero trust confidential computing has a key strength in that it can minimize the vulnerability of data for all of these use cases by protecting data *in use*, that is, during processing or runtime.

Data Fabric

Data Fabric is an architectural solution to process data for large applications such as Compliance, Risk, Know Your Customer, and ESG, With a regular traditional solution, all the organization's data is moved continuously from tens of locations and data sources such as on-prem data, cloud, and also subscription data sources to a single location. The continuous transfer is costly, slow, and risky. These "ETL" solutions to move the data are expensive.

Once the data is collected to a large data lake, which also entails a significant expenditure, the organization can start developing the algorithms needed depending on the required application. This way of resolving development and handling of data is required by regulators and is expensive and risky. It involved moving continuously large amounts of data.

Our Data Fabric solution leaves most of the data as is in its prime original location. The system simply indexes the data using AI to understand what is there and what applications may need this data. It only fetches the required data (a very small percentage of the total data, which is mostly not needed) when it's needed. It then uses the data to perform the required operation and release it back to its original location. This approach eliminates a major cost by not having to perform continuous ETL procedures and not needing a new data lake to collect all the organization's data.

Basis of presentation

On June 21, 2021, a share swap agreement was consummated, whereby the Company acquired Hub Cyber Security TLV Ltd. ("HUB TLV") in exchange for 51% of the issued and outstanding share capital of the Company. Pursuant to the share swap agreement, HUB TLV became a wholly owned subsidiary of the Company. From an accounting and economic perspective, because the share swap consisted of a reverse acquisition whereby HUB TLV's shareholders acquired the controlling interests in the Company, HUB TLV is treated as the acquirer for accounting purposes and the Company as the acquiree. The financial statements included herein therefore reflect the financial results of HUB TLV prior to the consummation of the share swap. All references to " HUB" prior to June 21, 2021 refer to HUB TLV and subsequent to June 21, 2021 refer to HUB Cyber Security Ltd.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS as issued by the International Accounting Standards Board ("IASB").

Business Combination

On March 23, 2022, HUB entered into the Business Combination Agreement with RNER and Merger Sub. Pursuant to the Business Combination Agreement, Merger Sub merged with and into RNER, with RNER surviving the merger. Upon the consummation of the Business Combination on February 28, 2023, RNER became a wholly owned subsidiary of HUB.

Our Segments

We organize our business into two reporting segments:

(i) Product and Technology Segment - we develop and market integrated cybersecurity hardware/software solutions that allow organizations to protect their RAM or confidential computing data to create a reliable work environment we offer data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and fully managed corporate cybersecurity services.

(ii) Professional Services Segment – we offer data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and fully managed corporate cybersecurity services.

These segments share unified product development, operations, and administrative resources. The chief operating decision maker (the "CODM"), which is our chief executive officer, evaluates segment operating performance and makes resource allocation decisions based on revenue, cost of revenue and operating profit (loss) from reportable segments.

Key Factors Affecting Our Results of Operations

Retention and Expansion of Customer Base

HUB's results of operations are driven by its ability to retain customers, increase revenue generated from existing customers and expand its customer base. The retention of customers is a measure of the long-term value of customer agreements and HUB's ability to establish and maintain deep, long-term relationships with customers. A number of factors drive HUB's ability to attract and retain customers, particularly large enterprise customers (which HUB defines as customers that represent 10% or more of total revenue), including customers' satisfaction with HUB's solutions provided by its technical staff, services and pricing, customers' technology budgets, and the effectiveness of HUB's efforts to help its customers realize the benefits of its solutions.

For the year ended December 31, 2023, HUB, annual revenue decreased by 15% from $50,002,000 (neutralizing of $29,741,000 from discontinued operation revenues) for the year ended December 31, 2022 to $42,657,000 for the year ended December 31, 2023.

HUB achieved a gross retention rate of 84% and 89% as of December 31, 2022 and 2023, respectively, for customers who generated over $41,857,000 revenues over the trailing 12 months.

HUB's increasingly large customer base also represents a potential significant opportunity for further growth and adoption of a larger range of HUB's solutions and services. HUB also plans to continue investing in growing its large enterprise customers and providing new solutions to increase its market share.

Following the acquisition of Comsec, HUB has established a solid customer base comprised of hundreds of leading enterprises and organizations in Israel, the UK and the Netherlands, including several government departments, banks and military branches. HUB is also adopting a two-prong strategy to further build and enhance market acceptance for HUB's solution. As a first step, HUB's solutions are marketed to government entities, militaries, research institutions and large enterprises, with the goal of expanding HUB's penetration into these industries. The second prong of the strategy involves marketing effort that targets OEMs and manufacturers of network components to encourage them to integrate the HUB PCIe card into their hardware, either as an optional add-on or as a standard equipment.

Technologically Advanced Solutions

We developed a unique hardware and software combined solution that provides end-to-end data protection across all phases of data storage and processing. HUB's solution seeks to enable secure computation and protects data across the entire compute and network stack, with an integrated hardware and software platform that is compatible across computing architectures with any CPU, GPU or field programmable gate arrays. HUB's confidential computing solution currently exists in three configurations, two of which (HUB Vault and HUB PCIe Card) are available for commercial sale. In addition to technology, HUB also provides advanced professional services that enable clients to assess their vulnerability to a cybersecurity attack as well as to quickly respond should one occur.

Market Trends

HUB believes there will be a transformation in the network cybersecurity industry over the next decade, as traditional network security solutions, such as firewall protections, are becoming less secure as new technologies develop and as remote working and cell phone access increase. HUB anticipates that there will be robust demand for its products as consumers, businesses and governments across all geographies and industries will need to replace the existing traditional network security solutions used in almost all electronic interfaces in order to maintain cybersecurity and that, as a result, there is significant market opportunity for HUB's more secure confidential computing systems. The Everest Group estimates that the sale of confidential computing solutions will grow at a compound annual growth rate (CAGR) by up to as much as 90-95% each year through 2026, reaching approximately $52 billion in 2026. HUB HUB Additionally, Allied Market Research found that the global confidential computing market was valued at $4.1 billion in 2022, and is projected to reach $184.5 billion by 2032, growing at a CAGR of 46.8% from 2023 to 2032.

Impact of Acquisitions

HUB has historically grown through selected acquisitions and, in addition to efforts to grow its confidential computing business organically and through parallel technology like data fabric, expects to continue to pursue potential new acquisitions on a targeted basis in order to expand its technical competencies and to expand its presence in strategic geographies. HUB's results of operations have been, and are expected to continue to be, affected by such acquisitions.

On September 27, 2021, HUB signed an agreement for the purchase of the entire issued and outstanding share capital of Comsec Ltd. Comsec is a private company that provides cybersecurity consulting, design, testing and control services and sells data security and cybersecurity software and hardware solutions (the "Comsec Acquisition"). The purchase price of this acquisition was NIS 70 million and the transaction was completed on November 17, 2021.

In addition, on February 28, 2021, HUB TLV and ALD signed a merger agreement, pursuant to which HUB TLV became a wholly owned subsidiary of HUB and the shareholders of HUBTLV owned 51% of HUB's issued and outstanding share capital (the "ALD Merger"). The ALD Merger was completed on June 21, 2021.

In May 2022, the Company entered into an Asset Purchase Agreement with Legacy Technologies Gmbh, a European cyber firm that has an extensive EMEA distribution network of cyber solutions for major government and enterprise data centers. The acquired assets were mainly comprised of customer relationships of Legacy. The asset acquisition was completed on July 5, 2022. As of December 31, 2022, we identified indicators of impairment since no binding purchase orders had been signed nor significant progress had been made on the purchased customer relationships as was expected upon the purchase date. As a result, we determined that the assets acquired should be fully impaired. As such, for the year ended December 31, 2022, the Company recorded an impairment loss of $8,738 for the assets acquired from Legacy.

During the period from the respective date of acquisition to December 31, 2022, and 2023, ALD and Comsec contributed together $50,002,000 (neutralizing of $29,741,000 from discontinued operation revenues) and $42,657,000 in revenue, (respectively), and $37,229,000 (neutralizing of $569,000 from discontinued operation net loss) and $50,767,000 in net loss (respectively) to the Company's results of operations.

The Comsec Acquisition and ALD Merger have been significant drivers of HUB's growth in revenue and expenses during the years ended December 31, 2022 and December 31, 2023. The impact of future acquisitions on HUB's financial condition and results of operations will depend on HUB's success in identifying and acquiring target businesses and assets that fulfil these criteria, integrating them into HUB's business, and realizing the targeted synergies and other expected benefits of the transactions.

On April 3, 2024, we acquired for NIS 25,000,000 in cash the shares of Qpoint that it did not yet own at that time, constituting 53.5% of Qpoint's outstanding shares. Payments were agreed to be carried out in three installments as follows: (i) NIS 4,000,000 on the signing date; (ii) NIS 16,000,000 on the closing date (which was April 8, 2024); and (iii) NIS 5,000,000 no later than February 10, 2025 (of which NIS 2,500,000 was already paid as of June 5, 2024).

This acquisition is strategically aligned with the Company's mission to establish a leading global secure data fabric ecosystem. QPoint has a diverse customer base of over 100 renowned brand clients, including partnerships with Rafael Advanced Defense Systems, the developer of the "Iron Dome", the Israel Airport Authority and the Ministry of Defense of Israel.

In November 2023, HUB began to collaborate with BST with the goal to become a significant player in the secured data fabric industry. These technologies and solutions are mostly needed by government entities, banks and financial institutions, and large regulated enterprises. As part of this collaboration, BST conducts activities directed by HUB to integrate BST technology with HUB technology, and HUB provides advisory services to BST in connection with BST's performance under specified commercial agreements. The parties are negotiating a collaboration agreement pursuant to which HUB expects to receive a license to any BST intellectual property created or developed as part of this collaboration. HUB ultimately hopes to leverage the success of the collaboration with BST into an acquisition of BST. There is no certainty that the parties will enter into a collaboration agreement or any other transaction between them.

Continued Innovation

HUB's success and continued growth are dependent on sustaining innovation in order to deliver a superior product and customer experience, allowing it to maintain a competitive advantage. Since inception, HUB has experienced continued growth as a result of ongoing technological innovations. HUB intends to continue to invest in research and development to maintain solution differentiation and grow the community of large enterprise customers. In the short-term, HUB anticipates making continual investments in upgrading technology to continue providing customers a reliable and effective solution.

As a result, HUB expects research and development expenses to increase on an absolute basis in future periods. HUB foresees that such investment in research and development will contribute to long-term growth but will also negatively impact short-term profitability. For the year ended December 31, 2023, HUB's research and development expenses as a percentage of revenue were approximately 14%.

Continued Investment in Growth

HUB believes the market opportunity is substantial, and, although HUB currently has limited cash resources, it expects to continue to make significant investments across all aspects of the business in the future in order to continue to attract new customers, expand relationships with existing customers, and develop technology to address customers' evolving needs, thereby prioritizing long-term growth over short-term profitability.

HUB intends to invest in growth in Europe and North America. HUB's management believes that when combined with risk management, its confidential computing solution has significant opportunities for further growth in Europe, as it provides a cost-effective security solution for enterprises and small and medium-sized businesses. HUB

As a result, HUB expects sales and marketing expenses to increase on an absolute basis in future periods. HUB expects that such investment in sales and marketing will contribute to long-term growth but may negatively impact short-term profitability, as they drive an increase in operating expenses in advance of revenues attributable to such investments, as well as a decrease in free cash flow.

For the year ended December 31, 2023, sales and marketing expenses as a percentage of revenue were approximately 16%.

HUB's Impacts of being a U.S. listed public company

We expect our general and administrative expenses will increase as we incur additional costs to support our operations as a U.S. listed public company. These additional costs include upgraded director and officer insurance coverage to be commensurate with other publicly listed companies, costs related to audit, legal, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, and investor and public relations expenses.

Components of our Results of Operations

Revenue

Revenue is primarily generated from rendering professional services, including consulting, planning, training, integrating and servicing our cybersecurity, risk management, system quality, reliability and security projects. This revenue is recognized in the period in which the services are provided.

Cost of Revenue

Cost of revenue primarily consists of salaries and related expenses associated with teams integral in providing HUB's service, subcontractors and consultant expenses, share-based compensation, as well as depreciation and material costs and amortization of intangible assets.

Research and Development Expenses

Research and development expenses include costs incurred in developing, maintaining, and enhancing our products and technology. Additional expenses include costs related to development, consulting, including share-based compensation, travel and other related costs. Part of these expenses are partially offset by government grants received from the Israel Innovation Authority. HUB believes that continuing to invest in research and development efforts is essential to maintaining its competitive position. HUB expects research and development expenses, net from government grants, to increase in the future as it continues to broaden its product portfolio.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of salaries and other related costs including share-based compensation, sales and sales support functions, as well as advertising and promotional personnel. Sales and marketing expenses also include depreciation and amortization and impairment of intangible assets.

General and Administrative Expenses

General and administrative expenses include costs incurred to support and operate our business. These costs primarily include personnel-related salary costs including share-based compensation, professional services related to finance, legal, IT consulting, outsourcing, expenses related to the SPAC Merger and other general overheads.

Additionally, we expect to continue to incur increased expenses associated with being a public company, including costs of additional personnel, accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, and investor and public relations costs.

Finance Income and Finance Expenses

Finance income and finance expenses primarily consists of revaluation of financial instruments which are measured on fair market value as well as income and expenses associated with fluctuations in foreign exchange rates, interest payable or received and bank fees.

Taxes on Income

Taxes on income consists primarily of income taxes related to the jurisdictions in which HUB conducts business. HUB's effective tax rate is affected by non-deductible expenses, utilization of tax losses from prior years for which deferred taxes was not recognized, effect on deferred taxes at a rate different from the primary tax rate and differences in previous tax assessments.

Results of Operations

The following table sets forth HUB's operating results for the years ended December 31, 2023 and 2022. We have derived this data from our consolidated financial statements included elsewhere in this Annual Report. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report. The results of historical periods are not necessarily indicative of the results of operations for any future period. The numbers take into consideration the discontinuation of Distribution, a Comsec subsidiary.

	Year ended December 31,			
	2023	**2022**	**Change**	**% Change**
	(In thousands)	(In thousands)	(In thousands)	
Revenue	42,657	50,002	(7,345)	(14.7)%
Cost of Revenue	41,907	45,914	(4,007)	8.7%
Gross Profit	750	4,088	(3,338)	(81.7)%
Research and development expenses, net	5,886	5,574	312	(5.6)%
Selling and marketing expenses	10,694	21,674	(14,917)	50.6%
General and administrative expenses	49,172	57,271	(9,701)	14%
Other expenses, net	12,723	-	12,723	NA
Operating loss	(77,725)	(80,430)	2,705	3.4%
Finance income	(484)	(469)	15	3.2%
Financial expenses	7,194	1,384	5,810	419.8%
Loss before taxes on income	(84,435)	(81,345)	(3,090)	(3.8)%
Taxes on income	171	(776)	947	(122)%
Net loss from continuing operation	(84,606)	(80,569)	(4,037)	(5)%
Net income (loss) from discontinued operation	(2,030)	569	(2,599)	(456.8)%
Total net loss	(86,636)	(80,000)	(6,636)	8.3%

Comparison of the Years Ended December 31, 2023 and 2022

Revenue

Revenue was $42,657,000 and $50,002,000 for the years ended December 31, 2023 and 2022, respectively, resulting in a decrease of $7,345,000 for the year ended December 31, 2023 compared to 2022.

This decrease consisted of $7,250,000 decrease in the Professional Services Segment and decrease of $95,000 in the Products and Technology Segment.

The table below sets forth a breakdown of HUB's revenue by customer location for the years ended December 31, 2023 and 2022.

	Year ended December 31,			
	2023	2022	Change	Change %
	(In thousands)	(In thousands)		
Israel	40,364	46,385	(6,021)	(13.0)%
America	334	339	(5)	(1.5)%
Europe	1,669	2,983	(1,314)	(44.0)%
Asia Pacific	290	294	(4)	(1.4)%
Total	**$ 42,657**	**$ 50,002**	(7,345)	(14.7)%

Cost of Revenue

Cost of revenue was $41,907,000 and $45,914,000 (neutralizing discontinued operation) for the years ended December 31, 2023 and 2022, resulting in an decrease of $4,007,000 for the year ended December 31, 2023.

The decrease consisted of $2,904,000 decrease in the cost of Professional Services Segment and decrease of $1,100,000 in the cost of Products and Technology Segment.

Research and Development Expenses

Research and development expenses, mainly attributed to the Products and Technology Segment, were $5,886,000 and $5,574,000 for the years ended December 31, 2023 and 2022, respectively, resulting in an increase of $312,000 for the year ended December 31, 2023 compared to the year ended December 31, 2022. The increase is mainly attributed to an increase of $1,678,000 in salaries and related expenses, which is partially offset by a decrease in government grants income in an amount of $1,259,000.

Selling and Marketing Expenses

Selling and marketing expenses were $10,694,000 and $21,674,000 for the years ended December 31, 2023 and 2022, respectively, resulting in a decrease of $10,980,000 for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease is attributed to a decrease of $3,733,000 in salaries and related expenses driven by a decrease in headcount in HUB's marketing department and a decrease in an amount of $6,662,000 related mainly to impairment of intangible assets resulted from Legacy during 2022.

General and Administrative Expenses

General and administrative expenses were $49,172,000 and $57,271,000 for the years ended December 31, 2023 and 2022, respectively, resulting in an decrease of $8,099,000. The decrease is due to the following: Payroll G&A decrease by $7,680,000 mainly due to headcount decrease, insurance expenses increased by $1,600,000, board fees expenses increased by $772,000 impairment expenses decreased by $3,975,000.

Finance Income and Finance Expenses

Financial expenses were $7,194,000 and $1,384,000 for the years ended December 31, 2023 and 2022, respectively, and finance income was $484,000 and $469,000 for the years ended December 31, 2023 and 2022, respectively, resulting in a net increase of $5,795,000 of finance expenses. The increase is primarily attributed to convertible components measurement, warrants measurement and interest expenses.

Taxes on Income

Taxes on income (tax benefit) were $171,000 and $(776,000) for the years ended December 31, 2023 and 2022, respectively. This tax benefit was primarily derived from decrease of deferred tax liabilities due to the intangible assets amortization, and current tax expenses.

Key Performance Indicators and Non-IFRS Financial Metrics

HUB monitors the key business metrics set forth below to help it evaluate its business and growth trends, establish budgets, measure the effectiveness of its sales and marketing efforts, and assess operational efficiencies. The calculation of the key metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors.

Key Performance Indicators

The following table summarizes the key performance indicators that HUB uses to evaluate its business for the periods presented.

	Year ended December 31			
	2023	**2022**	**Change**	**% Change**
	(in thousands)			
Revenue				
Products and Technology Segment [(1)]	1,068	1,739	(671)	(38.6)%
Professional Services Segment [(2)]	41,589	48,263	(6,674)	(13.8)%
Total	**$ 42,657**	**$ 50,002**	(7,345)	(14.7)%

(1) The Products and Technology Segment develops and markets integrated cybersecurity hardware/Software solutions that allow organizations to protect their RAM or confidential computing data to create a reliable work environment.

(2) The Professional Services Segment offers data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and full managed corporate cybersecurity services. In addition, this segment also includes distribution and marketing of security products procured from the manufacturers of information security products to sub-distributors (integrators) who market them to end users.

	Year ended December 31			
	2023	**2022**	**Change**	**% Change**
	(in thousands)			
Segment results (operating loss)				
Products and Technology Segment	(30,690)	(43,019)	12,329	30.8%
Professional Services Segment	(33,153)	(21,582)	(11,571)	(53.6)%
Unallocated*	(13,882)	(15,829)	1,947	12.3%
Total	**$ (77,725)**	**$ (80,430)**	2,705	3.4%

* In 2022, the expenses related to the Business Combination in 2022. In 2023, the expenses related to the SPAC merger and ELOC.

Non-IFRS Financial Metrics

In addition to HUB's results determined in accordance with IFRS, HUB's management believes that the following non-IFRS financial measures are useful in evaluating HUB's operating performance.

Adjusted EBITDA

HUB defines Adjusted EBITDA as net loss as adjusted for income taxes, finance income, finance expenses, depreciation and amortization, impairments, share-based compensation expense, SPAC transaction cost and other one-time costs. Adjusted EBITDA is included in this Annual Report because it is a key metric used by management and HUB's board of directors to assess its financial performance. Adjusted EBITDA is frequently used by analysts, investors and other interested parties to evaluate companies in HUB's industry. Management believes that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate directly to the performance of the underlying business.

Adjusted EBITDA is not an IFRS measure of HUB's financial performance or liquidity and should not be considered as alternatives to net income or loss as a measure of financial performance, as alternatives to cash flows from operations as a measure of liquidity, or as alternatives to any other performance measure derived in accordance with IFRS. Adjusted EBITDA should not be construed as an inference that HUB's future results will be unaffected by unusual or other items. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect HUB's tax payments and certain other cash costs that may recur in the future, including, among other things, cash requirements for costs to replace assets being depreciated and amortized.

Management compensates for these limitations by relying on HUB's IFRS results in addition to using Adjusted EBITDA as a supplemental measure. HUB's measure of Adjusted EBITDA is not necessarily comparable to similarly titled captions of other companies due to different methods of calculation.

	Year ended December 31,			
	2023	2022	Change	% Change
	(In thousands)			
Net loss from continuing operation	$ (84,606)	$ (80,569)	(4,037)	(5)%
Adjusted EBITDA	$ (12,165)	$ (22,051)	9,886	44.8%

Adjusted EBITDA decreased in the year ended December 31, 2023 primarily as a result of the significant growth in the Company's operations cost across all of our business (see below analysis).

	Year ended December 31,			
	2023	2022	Change	% Change
	(In thousands)			
Net loss	$ (84,606)	$ (80,569)	(4,037)	(5)%
Finance income	(484)	(469)	15	3.2%
Finance expenses	7,194	1,384	5,810	(419.8)%
Taxes on income	171	(776)	947	(122)%
Depreciation and amortization[(1)]	7,637	7,791	(154)	2%
Share-based compensation expense[(2)]	7,115	10,516	(3,401)	32.3%
Transaction costs[(3)]	4,943	15,829	(10,886)	68.8%
One time cost[(4)]	30,607	887	29,720	(3,350.6)%
Impairment of Goodwill and intangibles[(5)]	15,258	23,356	(8,098)	34.67%
Adjusted EBITDA	$ (12,165)	$ (22,051)	(9,886)	$ 44.8%

1. Represents $4,615,000 and $5,341,000 in intangible assets amortization, $279,000 and $309,000 in fixed assets depreciation, and $3,997,000 and $2,141,000 in right of use asset depreciation for the years ended December 31, 2023 and 2022, respectively.

2. Represents non-cash share-based compensation expenses.
3. Represents costs incurred in connection with the SPAC merger, HUB — ALD Merger and the Comsec Acquisition. These costs include legal, consulting and valuation expenses.
4. Represent convertible loan expenses, Additional amount for Oppenheimer, SPAC listing expenses and ELOC expenses.
5. Represents technology goodwill and intangibles impairment.

B. Liquidity and Capital Resources

Since inception, HUB has incurred losses and generated negative cash flows from operations and has funded its operations, research and development, capital expenditure and working capital requirements through revenue received from customers, bank loans and other debt facilities and government grants, as well as equity contributions from shareholders.

HUB expects its capital expenditures and working capital requirements to increase substantially in the near future, as it seeks to produce the confidential computing products, develop and continue its research and development efforts. As of December 31, 2023, HUB's cash and cash equivalents were about $3.5 million. The Company intends to finance operating costs over the next twelve months through a combination of future issuances of equity and/or debt securities, reducing operating spend, and potentially divesting assets.

Our future capital requirements will depend on many factors, including, but not limited to our growth, market acceptance of our offerings, the timing and extent of spending to support our efforts to develop our platform, and the expansion of sales and marketing activities. We are required to seek additional equity or debt financing. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we issue additional equity securities to raise additional funds, further dilution to existing shareholders may occur. However, we cannot predict with certainty the outcome of our actions to generate liquidity, including the availability of additional financing. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

As a result of liquidity and cash flow concerns that have arisen resulting from our business operations, together with the Internal Investigation and the delay in the filing of this Annual Report, we face significant uncertainty regarding the adequacy of its liquidity and capital resources and its ability to repay its obligations as they become due.

The significant uncertainty regarding our liquidity and capital resources, its ability to repay its obligations as they become due, provides substantial doubt about our ability to continue as a going concern for the next twelve months from the date of issuance of this Annual Report. The Company's management is closely monitoring the situation and has been attempting to alleviate the liquidity and capital resources concerns through workforce reductions, interim financing facilities and other capital raising efforts.

Following the filing of this Annual Report, we expect to be able to obtain additional sources of debt and equity financing, together with additional revenues from new business opportunities and has engaged with potential investors with regards to such financing alternatives. However, such opportunities remain uncertain and are predicated upon events and circumstances which are outside our control. The inability to borrow or raise sufficient funds on commercially reasonable terms, would have serious consequences to our financial condition and results of operations.

Please see the *Financings* section below for more details on our recent efforts to fund operating activities.

Material Cash Requirements

The table below summarizes certain material cash requirements as of the year ended December 31, 2023 that will affect the HUB's future liquidity. HUB plans to utilize its liquidity and its cash flows from business operations including investments to fund its material cash requirements.

	2024	2025	2026	2027	2028	Thereafter	Total
	Total (in thousands)						
Loans from bank	7,843	-	-	-	-	-	7,843
Loans from others	4,035						4,035
Lease liabilities	773	707	841	124	-	-	2,445
Liabilities for government grants	265	30	21	19	18	59	412
Total	12,916	737	862	143	18	59	14,735

Cash Flows Summary

The following table shows a summary of HUB's cash flows for the years ended December 31, 2023 and 2022.

	Year ended December 31,		Change	% Change
	2023	2022		
	(In thousands)			
Net cash provided by / (used in):				
Net cash used in operating activities	$ (16,202)	$ (23,432)	7,230	30.8%
Net cash used in investing activities	2,136	(6,549)	8,685	132.6%
Net cash provided by financing activities	12,927	20,660	(7,733)	(37.43)%
Exchange rate differences on cash and cash equivalents	667	(659)	1,326	201%
Net increase / (decrease) in cash and cash equivalents	**$ (472)**	**$ (9,980)**	9,508	95.3%

Cash Flows Used in Operating Activities

Net cash used in operating activities was $16,202,000 for the year ended December 31, 2023, reflecting a net loss of $86,636,000 and a non-cash adjustments of $5,476,000, which primarily consists of share-based payment in an amount of $7,115,000, intangible assets impairment in an amount of $15,258,000 transaction costs related to the SPAC merger in an amount of $12,312,000 and depreciation and amortization in an amount of $7,637,000. In addition, changes in asset and liability items in 2023 were $14,044,000, which was primarily affected by a decrease in trade receivables in the amount of $13,242,000.

Net cash used in operating activities was $23,432,000 for the year ended December 31, 2022, reflecting a net loss of $80,000,000 and a non-cash adjustments of $7,940,000, which primarily consists of share-based payment in an amount of $10,516,000, intangible assets impairment in an amount of $8,738,000, goodwill impairment in an amount of 14,618,000 and depreciation and amortization in an amount of $7,791,000. In addition, changes in asset and liability items in 2022 were $16,481,000, which was primarily affected by an increase in other accounts payable in the amount of $15,216,000.

Cash Flows Used in Investing Activities

Net cash used in investing activities was $2,136,000 for the year ended December 31, 2023, compared with $6,549,000 for the year ended December 31, 2022, resulting in an increase of $8,685,000. The increase was primarily attributed to withdrawal from restricted bank deposit in an amount of $3,926,000. In Addition, cash flows used in investment activity in 2022 included an amount of $5,405,000 related to assets acquisition.

Cash Flows Provided by Financing Activities

Cash flows provided by financing activities primarily relate to proceeds from issuance of shares, short-term credits from banks and government grants, which have been used to fund working capital and for general corporate purposes.

Net cash provided by financing activities was $12,927,000 for the year ended December 31, 2023, compared with $20,660,000 for the year ended December 31, 2022, resulting in a decrease of $7,733,000. The decrease was primarily due to a decrease in share issuance in an amount of $16,457,000 offset by an increase in receipt of short term loans in an amount of $11,464,000.

HUB Mizrahi Loans

On July 6, 2020, Comsec Distribution Ltd. entered into a credit agreement (the "Comsec Distribution Term Loan") with Bank Mizrahi. The Comsec Distribution Term Loan provided for an NIS 5 million (approximately $1.4 million) term loan maturing on June 20, 2026. The principal amount of the Comsec Distribution Term Loan is repaid in monthly installments with the final payment aligning with the maturity date. As of December 31, 2023 the remaining principal amount on the Comsec Distribution Term Loan was $906,000.

On September 1, 2021, Comsec Ltd. entered into a credit agreement (the "Comsec Ltd. Term Loan") with Bank Mizrahi. The Comsec Ltd. Term Loan provides for an NIS 6 million (approximately $1.7 million) term loan maturing on September 10, 2024. The principal amount of the Comsec Ltd. Term Loan is repaid in quarterly installments with the final payment aligning with the maturity date. The Comsec Ltd. Term Loan bears annual interest of Prime (Bank of Israel intrabank plus 1.5%) + 1.95%. As of December 31, 2023 the remaining principal amount is $831,000.

Additionally, in September 2021, Comsec Ltd. received a loan from Bank Mizrahi with an original principal amount of NIS 980,000 (approximately $278,000). The loan bears interest annually at Prime (Bank of Israel intrabank) + 1.5%. As of December 31, 2023 the remaining principal amount on the Comsec Ltd. Term Loan was $110,000.

On September 22, 2022, Comsec Distribution Ltd. entered into a credit agreement (the "Comsec Distribution Revolver" and together with the Comsec Distribution Term Loan and the Comsec Ltd. Term Loan, the "Mizrahi Loans") with Bank Mizrahi. The Comsec Distribution Revolver provides a revolving credit line of NIS 24.63 million (approximately $6.7 million) maturing on September 9, 2023. In addition, Comsec Consulting Limited, another of our subsidiaries obtained an NIS 8 million credit line, which is fully drawn as of the date of filing of this Annual Report.

On November 16, 2021, HUB entered into a settlement agreement with Bank Mizrahi ("Mizrahi Settlement") after HUB failed to comply with a pre-existing financial covenant which required positive EBITDA. The Mizrahi Settlement governs the Mizrahi Loans and requires that (i) the combined principal of the Mizrahi Loans divided by HUB's EBITDA will not exceed 3.5, (ii) HUB accounts receivable divided by the Mizrahi Revolver will exceed 1.20, (iii) HUB will deposit with Bank Mizrahi HUB Shares with a gross value of NIS 9.35 million as of November 16, 2021 to serve as collateral for the Mizrahi Loans and (iv) HUB will deposit NIS 10 million with Bank Mizrahi to serve as collateral for the Mizrahi Loans.

In July 2023, Bank Mizrahi agreed to waive existing defaults and suspend enforcement of the annual EBITDA financial covenant for 2022. In September 2023, Bank Mizrahi collected an amount of NIS 2.3 million from the NIS 10 million deposit which served as collateral for the Mizrahi Loans and in November 2023, Bank Mizrahi collected the remaining NIS 7.7 million balance of the NIS 10 million collateral deposit.

Comsec Ltd. and Bank Mizrahi are currently conducting extensive discussions concerning the restructuring of the overall outstanding debt of Comsec Distribution Ltd.

Qpoint Loan Agreement

On September 28, 2023, we completed a non-recourse loan transaction pursuant to a loan agreement (the "Qpoint Loan Agreement") with Qpoint Technologies Ltd., an Israeli company ("Qpoint"), of which we held 46.52% of the outstanding shares and the effective control until our acquisition of all of the outstanding shares of Qpoint not otherwise held by us in March, 2024 (the "Qpoint Acquisition"). Pursuant to the Qpoint Loan Agreement, (i) Qpoint agreed to lend us an amount equal to NIS 3.5 million (approximately $900,000) and to extend the date by which we are required to pay Qpoint an amount equal to NIS 6.5 million (approximately $1.7 million) in outstanding obligations, from August 15, 2023 to February 28, 2024 (the "Repayment Date") and (ii) the Company agreed to pay Qpoint a loan installation fee of NIS 300,000 (approximately $80,000) (the "Qpoint Loan").

The Qpoint Loan bears interest at an annual rate of 11% until paid in full, provided that in the event the payments under the Qpoint Loan as set forth in the Loan Agreement are not timely made, the Loan will bear interest at an annual rate of 15% until paid in full.

Pursuant to the Qpoint Loan Agreement, the parties also agreed that for a period of nine months following the date of repayment of the Qpoint Loan, the parties will not take any action in furtherance of the (i) appointment of a new chief executive officer in Qpoint, (ii) distribution of dividends by Qpoint, (iii) receipt of credit or investments by Qpoint, or (iv) issuance or pledge of shares by Qpoint or its subsidiaries. The Qpoint Loan was secured by the shares held by HUB in various Qpoint entities.

In April 2024, in connection with HUB's acquisition of the outstanding shares of the Qpoint entities that it did not own at that time, HUB repaid the Qpoint Loan in full.

Financings

March-June 2024 Financing Transaction

In March-June 2024, the Company sold to an accredited investor (the "March-June 2024 Investor"), in a series of unregistered private transactions, notes (the "March-June 2024 Notes") with an aggregate principal amount of $10,000,000, and warrants (the "March-June 2024 Warrants") pursuant to a Securities Purchase Agreement entered into with the March-June 2024 Investor (the "March-June 2024 Purchase Agreement"). The Company's acquisition of QPoint was partially funded by proceeds the Company received pursuant to the March-June 2024 Purchase Agreement.

The loan amount under the March-June 2024 Notes is repayable by the Company on the earlier of (i) August 10, 2024 with respect to 40% of the loan amount and September 24, 2024 with respect to the remaining 60% of the loan amount, or (ii) five (5) business days following the closing of a financing in the Company of at least $25,000,000. The principal amount under the March-June 2024 Notes carries a variable interest rate based on the date of repayment as follows: (a) with respect to $8,000,000 of the principal amount, (i) for the principal amount repaid on or prior to May 12, 2024, 7%, (ii) for the principal amount repaid following May 12, 2024 and on or prior to June 12, 2024, a rate between 7% and 8.5% of such principal amount computed by adding to 7% the result obtained by multiplying 1.5 by the quotient of the number of days elapsed in such period until (and including) the repayment date divided by the number of days in such period, and (iii) for the principal amount repaid following June 12, 2024, 8.5% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following June 12, 2024 and ending on the repayment date; and (b) with respect to $2,000,000 of the principal amount, (i) for the principal amount repaid on or prior to September 24, 2024, 10%, and (ii) for the principal amount repaid following September 24, 2024, 10% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following September 24, 2024 and ending on the repayment date.

If the March-June 2024 Notes are not repaid prior to the applicable maturity date, the March-June 2024 Investor may convert the applicable portion of the outstanding loan amount into the Company's ordinary shares at a rate equal to the arithmetic average of the closing price of the ordinary shares in the five trading days prior to the date of conversion, provided that such conversion rate shall not be lower than $0.50. The loan amount is secured by a pledge on the shares of the Qpoint group. Additionally, for so long as the loan amount under the March-June 2024 Notes is outstanding, the Company has undertaken to cause the Qpoint group to adopt a dividend policy and designate dividend proceeds for the repayment of the loan amount.

The March-June 2024 Warrants issued under the March-June 2024 Purchase Agreement are exercisable as follows: (i) March-June 2024 Warrants exercisable into 4,444,444 ordinary shares are exercisable at an exercise price equal to $0.70 per share until March 12, 2027, (ii) March-June 2024 Warrants exercisable into 4,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until April 3, 2027, (iii) March-June 2024 Warrants exercisable into 1,000,000 ordinary shares are exercisable at an exercise price equal to $0.50 per share until June 26, 2027 and (iv) March-June 2024 Warrants exercisable into 2,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until June 26, 2027.

The conversion of the March-June 2024 Notes and the exercise of the March- June 2024 Warrants will be limited to the extent that, upon the conversion or exercise, the March- June 2024 Investor and its affiliates would in aggregate beneficially own more than 4.99% of the ordinary shares.

2023-2024 Investment by Accredited Investors

In November and December 2023, the Company entered into Securities Purchase Agreements (the "First 2023-2024 Accreditor Investor SPAs") providing for the sale by the Company to certain accredited investors (the "First 2023-2024 Accreditor Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $3,100,000 (the "First 2023-2024 Accreditor Investor Notes"), and warrants exercisable into one ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the First 2023-2024 Accreditor Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "First 2023-2024 Accreditor Investor Warrants").

The aggregate principal amount of the First 2023-2024 Accreditor Investor Notes was convertible into our ordinary shares at a rate of the lower of (i) $2.50 and (ii) the product of 75% multiplied by the arithmetic average of the volume-weighted average price of the ordinary shares in the five (5) trading days prior to the date of conversion, provided that such conversion rate would not be lower than $1.50. The First 2023-2024 Accreditor Investor Notes did not bear interest and were repayable on the three-month anniversary of their issuance, subject to earlier conversion by the First 2023-2024 Accreditor Investors. The First 2023-2024 Accreditor Investors had the right to convert the First 2023-2024 Accreditor Investors Convertible Notes, in whole or in part, at any time following their issuance.

In March 2024, the Company entered into Securities Purchase Agreements (the "Second 2023-2024 Accreditor Investor SPAs") providing for the sale by the Company to certain accredited investors (the "Second 2023-2024 Accreditor Investors" and together with the First 2023-2024 Accreditor Investors, the "2023-2024 Accreditor Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $550,000 (the "Second 2023-2024 Accreditor Investor Notes"), and warrants exercisable into between 0.50 and one ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the Second 2023-2024 Accreditor Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "Second 2023-2024 Accreditor Investor Warrants" and together with the First 2023-2024 Accreditor Investor Warrants, the "2023-2024 Accreditor Investor Warrants").

The aggregate principal amount of the Second 2023-2024 Accreditor Investor Notes is convertible into our ordinary shares at a rate equal to the arithmetic average of the volume-weighted average price of the ordinary shares in the five (5) trading days prior to the date of conversion, provided that such conversion rate would not be lower than $1.50. The Second 2023-2024 Accreditor Investor Notes do not bear interest and are repayable on March 14, 2027, subject to earlier conversion by the Second 2023-2024 Accreditor Investors. The Second 2023-2024 Accreditor Investors have the right to convert the Second 2023-2024 Accreditor Investors Convertible Notes, in whole or in part, at any time following their issuance.

As of the date of this Annual Report, each of the First 2023-2024 Accreditor Investors has converted the First 2023-2024 Accreditor Investor Notes into our ordinary shares, pursuant to which conversions we have issued 1,816,885 ordinary shares at a weighted average exercise price of $1.71.

Pursuant to the First 2023-2024 Accreditor Investor SPAs, we have issued First 2023-2024 Accreditor Investor Warrants which are exercisable into 1,679,592 ordinary shares. The First 2023-2024 Accreditor Investor Warrants are exercisable until January 1, 2027 for an exercise price equal to the closing price of the ordinary shares as of the respective issuance dates of the First 2023-2024 Accreditor Investor Warrants and have a weighted average exercise price of $2.33. Pursuant to the Second 2023-2024 Accreditor Investor SPAs, we have issued Second 2023-2024 Accreditor Investor Warrants which are exercisable into 200,000 ordinary shares. The Second 2023-2024 Accreditor Investor Warrants are exercisable until September 14, 2025 for an exercise price of $1.50. The exercise of the 2023-2024 Accreditor Investor Warrants will be limited to the extent that, upon their exercise, a 2023-2024 Accreditor Investor and its affiliates would in the aggregate beneficially own more than 4.99% of our ordinary shares.

Shayna Loans

On each of February 23, 2023, June 11, 2023 and July 7, 2023, we entered into Convertible Loan Agreements (together the "Shayna Loan Agreements") with Shayna LP, a Cayman Islands company ("Shayna"), in the amounts of NIS 10 million (approximately $2.8 million), NIS 5 million (approximately $1.4 million) and NIS 1.85 million (approximately $500,000) respectively (each a "Shayna Loan and, together, the "Shayna Loans"). The Shayna Loans will not bear interest unless the Company defaults in making certain payments under the Shayna Loans. In the event that the Company defaults on certain payments under the Shayna Loans, then Shayna Loans will bear interest at an annual rate of 8% until paid in full.

Following an amendment that we entered into with Shayna on August 17, 2023, the Shayna Loans will each be convertible at the option of Shayna at a conversion price equal to a $2.00.

Under the first Shayna Loan Agreement, the Company agreed to issue to the lender warrants to purchase a number of ordinary shares, equal to an amount of shares converted by the lender (in the event that the lender elects to convert a portion of the loan), at an exercise price equal to the conversion price determined pursuant to the first Shayna Loan Agreement, which is 35% lower than the average price of Company's ordinary shares in the five trading days preceding a conversion notice . The warrants will be exercisable for 36 months from the signing date of the first Shayna Loan Agreement. Under the second Shayna Loan Agreement, the exercise price was amended to be equal to the conversion rate under the second Shayna Loan Agreement, which is 40% lower than the average price of Company's ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding the signing date of the second Shayna Loan Agreement, whichever is lower. The expiration date was also amended to be 24 months from the date of issuance of such warrant. Under the third Shayna Loan Agreement, the exercise price was changed to be equal to the conversion rate under the third Shayna Loan Agreement, which is : 40% lower than the average price of Company's ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding the date of the Company Board of Directors meeting which took place on July 8, 2023, whichever is lower. As of the date of this Annual Report, the Company has not received a conversion notice from the lender, so no warrants to purchase ordinary shares have been issued pursuant to the Shayna Loan Agreements.

Pursuant to the Shayna Loan Agreements, we agreed to file a registration statement on Form F-1 (the "Registration Statement") to register (i) the shares issuable upon conversion of the Shayna Loans; (ii) any warrants issuable under the Shayna Loan Agreements and (iii) the shares issuable upon exercisable of the warrants to be issued under the Shayna Loan Agreements, no later than 7 days following the filing our 2022 Annual Report. We also agreed to make every effort and take all the necessary actions so that the aforementioned registration statement will be declared effective by the SEC as early as possible after its submission to the SEC and in order for it to remain effective until all shares held by Shayna are sold or freely tradable under Rule 144 without giving effect to volume or manner of sale limitations. We will bear all the costs associated with such registration.

In addition, Shayna will not be allowed to convert the Shayna Loans, and we will not issue shares in respect of a conversion notice, if the conversion would require the approval of our shareholders in accordance with section 270(5) and section 274 of the Companies Law, and this conversion and allocation will be postponed to the earliest date given in accordance with section 270(5) and Article 274 of the Companies Law.

If, at any point following the conversion of the Loans, Shayna were to own 7% or more of our issued and outstanding shares, Shayna will be entitled to require us, to register for resale all of the Company's shares for resale by Shayna, as well as ordinary shares that may be allocated upon exercising warrants, which Shayna will be entitled to as a result of the conversion of the Loans, on Form F-1 or Form F-3, as applicable, within 21 days after receiving a written notice from Shayna. Additionally, pursuant to the Shayna Loan Agreements, Shayna will be entitled to standard "piggyback registration rights" in any case that we submit a registration document to the SEC to register our shares for sale by us or any other party and will also be entitled to participate in any sale of shares under that registration statement.

In connection with the Shayna Loans, we agreed to pay commission totaling NIS 467,500 (approximately $125,000) to an affiliate entity of Shayna. In addition, commencing on August 10, 2023, the Company agreed to pay to Shayna a consulting fee equal to $95,900 per month (plus value added tax) in 12 equal monthly payments, totaling $1,150,800 for advisory services to be provided pursuant to the Shayna Loan Agreements. We also agreed to pay a commission equal to NIS 375,000 (approximately $105,000) together with warrants to purchase our ordinary shares having a value equal to NIS 375,000 upon the date of grant to A-Labs Finance and Advisory Ltd.

In order to guarantee Shayna's rights under the Shayna Loans and to receive the brokerage and consulting fees set forth above, each of Vizerion Ltd., A-Labs and Uzi Moskovich (together the "Pledgors"), agreed to pledge all shares and warrants of the Company held by them in favor of Shayna. If the Company fails to register the shares issuable upon conversion of the Shayna Loans within 90 days of the signing of the Shayna Loan Agreements, then Shayna may, at its sole option, foreclose on the shares, in proportion the holding of each of the Pledgors, in exchange for assigning Shayna's rights according to the Shayna Loan Agreement to the Pledgors for the allocation of shares in the same number that was exercised by Shayna, and all other rights of Shayna under the Shayna Loan Agreements will remain in effect. If the registration of the shares is completed and Shayna is paid in full for the consulting fee noted above, the pledges on the shares will be canceled.

On December 28, 2023, Shayna and Pey Capital Pte Ltd. ("Pey") entered into an agreement, whereby Shayna agreed to transfer all of its rights and obligations pursuant to the Shayna Loan Agreements to Pey, except for the Advisory Payments referred to above, in exchange for $1.5 million. This agreement was subsequently canceled.

Amendments to Shayna Loans

Pursuant to an agreement dated March 3, 2024 between Shayna and Akina Holding Limited ("Akina"), most of the rights of Shayna under the Shayna Loan Agreements were assigned to Akina. Thereafter, in March-May 2024, the Company made several amendments to the Shayna Loan Agreements involving Shayna and Akina.

On March 31, 2024, the Company entered into the first amendment with Shayna and Akina, pursuant to which Shayna and Akina are entitled to convert the Shayna Loans into a total of 5,129,375 ordinary shares, based on an agreed USD/NIS exchange rate of NIS 3.65 and a conversion price of $0.90 per share. Under this amendment, Akina will receive 3,897,455 ordinary shares, while Shayna will receive 1,231,920 ordinary shares. Additionally, warrants have been issued for the purchase of the same number of ordinary shares at an exercise price of $0.90 per share, with Akina entitled to 3,897,455 shares and Shayna entitled to 1,231,920 shares. Furthermore, a customary clause limits the beneficial ownership of both Shayna and Akina to 4.99% of the Company's outstanding ordinary shares.

On April 18, 2024, the Company entered into the second amendment with Shayna and Akina, pursuant to which if Akina defaults on its payment installments to Shayna, Shayna will have the right to assume all of Akina's conversion rights under the Shayna Loan Agreements. Upon receiving written notice of such default from Shayna, the Company is required to allocate the outstanding Shayna Loan amounts to Shayna, provided that no judicial injunction is issued within seven days. This allocation will take place upon receipt of a written conversion notice from Shayna.

On May 9, 2024, the Company entered into the third amendment with Shayna and Akina, pursuant to which a cash payment of $1,150,800 for Shayna's consulting services under the Convertible Loan Agreements was converted into 1,278,666 ordinary shares of the Company, calculated at a price of $0.90 per share. Additionally, Shayna was issued a warrant to purchase 1,278,666 ordinary shares of the Company at an exercise price of $0.80 per share, with an exercise period of six months.

Lind Financing

On May 4, 2023, we entered into a Securities Purchase Agreement (the "Lind SPA") with Lind Global Asset Management VI LLC, an investment fund managed by The Lind Partners, a New York based institutional fund manager (together, "Lind"). Pursuant to the Lind SPA, the Company agreed to issue to Lind up to two (2) secured convertible promissory notes in three tranches (the "Lind Notes" and each a "Lind Note") for gross proceeds of up to $16,000,000 and warrants (the "Lind Warrants" and each a "Lind Warrant") to purchase the Company's ordinary shares (the "Transaction").

The closings of the Transaction (the "Closings and each a "Closing") occured in tranches (each a "Tranche"): the Closing of the first Tranche (the "First Closing") occurred on May 8, 2023 and consisted of the issuance and sale to Lind of a Lind Note with a purchase price of $6,000,000 a principal amount of $7,200,000 and the issuance to Lind of Lind Warrants to acquire 2,458,210 ordinary shares. The purchase price for the initial Lind Note consisted of two separate funding amounts. At the closing the initial funding amount of $4,500,000 was received by the Company and the funding of the remaining $1,500,000 (the "Second Funding Amount") was to expected occur within two (2) Business Days following the filing by the Company of its Annual Report on Form 20-F for the year ended December 31, 2022, under the original conditions of the Lind SPA (see details regarding amendments to the Lind SPA below). Upon the funding of the Second Funding Amount, the Company was expected issue additional Lind Warrants to Lind based on the Second Funding Amount.

So long as no Event of Default has occurred under the Lind Note sold at the First Closing, the second closing (the "Second Closing) was expected to consist of the issuance and sale to Lind of a Lind Note with a purchase price of $10,000,000 and a principal amount of $12,000,000, and the issuance to Lind of additional Lind Warrants to acquire ordinary shares. The Second Closing was expected to occur, under the original conditions of the Lind SPA, sixty (60) days following the effectiveness of the Registration Statement, as such term is defined below. The Second Closing is subject to certain conditions precedent as set forth in the Lind SPA. Pursuant to the Lind SPA, upon the payment of each funding amount, the Company agreed to pay Lind a commitment fee (the "Commitment Fee") in an amount equal to 3.5% of the applicable funding amount being funded by Lind at the applicable Closing.

The amount of Lind Warrants to be issued upon the occurrence of the Second Funding Amount and in the Second Closing was expected to be equal to 1/3 times the applicable purchase price of the Lind Notes divided by the lower of (i) $0.6102 and (ii) the closing price of the Company's ordinary shares on the trading day before the applicable closing date, under the original terms of the Lind SPA.

Pursuant to the Lind SPA, we agreed to file a registration statement on Form F-1 (the "Registration Statement") no later than 30 days from entry into the Lind SPA to register the ordinary shares issuable upon conversion of the Lind Note and the ordinary shares issuable upon the exercise of the Lind Warrants (the "Lind Shares"). Additionally, the Company agreed that if the Company at any time determines to file a registration statement under the Securities Act to register the offer and sale, by the Company, of ordinary shares (other than on Form F-4 or Form S-8, an at-the-market offering, or a registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement), the Company will, as soon as reasonably practicable, give written notice to Lind of its intention to so register the offer and sale of ordinary shares. Within 5 business days of the Company's delivery of any such notice to Lind, Lind may request that the Company include in such registration any Lind Shares that are not already registered or that may not be immediately resold under Rule 144 without restriction on the number of shares to be sold or manner of sale.

The Lind Note issued under the Lind SPA in the First Closing has a maturity date of May 8, 2025, and the Lind Note issued under the Lind SPA in the Second Closing was expected to have a maturity date of 2 years from the date of issuance (the "Maturity Date").

Beginning on the date that is the earlier of (1) the Registration Statement being declared effective and (2) 120 days from the issuance date of each Lind Note, the Company shall repay the Lind Note in twelve (12) consecutive monthly installments, on such date and each one (1) month anniversary thereof (each, a "Payment Date" and collectively the "Monthly Payments") an amount equal to $600,000 (the "Repayment Amount"), with the option of Lind to increase one Monthly Payment up to $1,500,000 by providing written notice to the Company. The Company has the option to make the Monthly Payments (i) in cash in the amount equal to the product of Repayment Amount multiplied by 1.05 (ii) (ii) ordinary share, or (iii) a combination of cash and ordinary shares. The amount of ordinary shares to be issued upon repayment shall be calculate by dividing the Repayment Amount being paid in ordinary shares by the Repayment Share Price. The "Repayment Share Price" will be equal to ninety percent (90)% of the average of the lowest five (5) consecutive daily VWAPs during the twenty (20) Trading Days prior to the Payment Date. Unless waived in writing in advance by Lind, the Company may not make payments in ordinary shares unless such shares (A) may be immediately resold under Rule 144 without restriction on the number of shares to be sold or manner of sale, or (B) are registered for resale under the Securities Act and the registration statement is in effect and lawfully usable to effect immediate sales of such shares by Lind.

Each Lind Note to be issued will be convertible at the option of Lind at a conversion price equal to the lower of (i) $0.9763 and (ii) 1.6 times the closing price of the Company's ordinary shares on the trading day before the applicable closing date (the "Conversion Price"). Upon the occurrence and during the continuance of an Event of Default (as defined in the Lind Note) Lind shall have the option to convert the Lind Note at the lower of (i) the then-current Conversion Price and (ii) eighty-percent (80)% of the average of the three (3) lowest daily VWAPs during the twenty (20) Trading Days prior to delivery of the applicable notice of conversion. The Conversion Price is also subject to certain adjustments as set forth in the Lind Note.

The Lind Note will not bear interest other than in the event that if certain payments under the Lind Note as set forth therein are not timely made, the Lind Note will bear interest at the rate of 2% per month (prorated for partial months) until paid in full. The Company will have the right to prepay the Lind Note under the terms set forth therein.

The Company shall have the right to prepay all, but not less than all, of the applicable Lind Note following the date that is sixty (60) days after the earlier to occur of (a) the date the Registration Statement is declared effective by the SEC or (b) the date that any shares issued pursuant to the applicable Lind Note may be immediately resold under Rule 144 without restriction on the number of shares to be sold or manner of sale at an amount equal to the outstanding principal amount of the Lind Note multiplied by 1.05.

Pursuant to the Lind Note, the Company agreed that in the event that, at any time following the First Closing, the Company or its subsidiaries, issue any debt, including any subordinated debt or convertible or any equity interests, other than Exempted Securities, as such term is defined in the Lind SPA, in one or more transactions for aggregate proceeds of more than $10,000,000 of cash proceeds being received by the Company, unless otherwise waived in writing by and at the discretion of Lind, the Company will immediately utilize 20% of the proceeds of such issuance to repay the Lind Notes issued to Lind pursuant to the Lind SPA, until there remains no outstanding and unconverted principal amount due.

Lind will not have the right to convert the portion of the Lind Note or exercise the portion of the Lind Warrant, if Lind together with its affiliates, would beneficially own in excess of 4.99% (or 9.99% if Lind already owns greater than 4.99)% of the number of ordinary shares outstanding immediately after giving effect to such conversion or exercise.

On August 24, 2023, we and Lind entered into an amendment (the "August 2023 Lind Amendment") to the Lind SPA, the Lind Note and the Lind Warrants pursuant to which we agreed to amend the definition of "First Funding Amount" in the Lind SPA such that Lind would fund us with $1 million, less the Commitment Fee, immediately upon execution of the August 2023 Lind Amendment. In addition, Lind agreed to provide us with an additional $500,000, less the Commitment Fee, within five (5) business days following our providing written confirmation to Lind that we have filed the Registration Statement to register the ordinary shares issuable upon conversion of the Lind Note and the ordinary shares issuable upon the exercise of the Lind Warrants and that there is no ongoing Event of Default or that no event of default will occur as a result of such additional funding.

As consideration for the amendments to the First Funding Amount in the August 2023 Lind Amendment, we agreed to amend the Lind Note and increase the principal amount of the Lind Note from $7.2 million to $9 million. Additionally, we agreed to amend the conversion price of the Lind Note to $0.45. Further, as consideration for the August 2023 Lind Amendment, we agreed to amend the Lind Warrants and issue to Lind additional warrants to purchase 2,541,790 of our ordinary shares bringing the total amount of shares that can be purchased under the Lind Warrant to 5,000,000 ordinary shares. We also agreed to amend the exercise price of the Lind Warrant to $0.45 per ordinary share.

In connection with the additional $1 million funding pursuant to the August 2023 Lind Amendment, we agreed issue to Lind a new warrant to purchase 2,500,000 ordinary shares with an exercise price of $0.45 per ordinary share and under the same terms and conditions as the Lind Warrant. Finally, in the event that the Registration Statement is filed and we receive the additional $500,000 funding amount, we agreed to issue to Lind a new warrant to purchase a number of ordinary shares equal to $500,000 divided by the closing price of our ordinary shares on the date prior to the filing of the Registration Statement, at an exercise price equal to 1.25 multiplied by the average of the daily volume weighted average prices during the five (5) trading days prior to the filing of the Registration Statement, and under the same terms and conditions as the Lind Warrant.

On November 28, 2023, we and Lind entered into an additional amendment (the "November 2023 Lind Amendment") to the Lind SPA, the Lind Note and the Lind Warrants pursuant to which we agreed to further amend the definition of "First Funding Amount" in the Lind SPA such that Lind would fund us with an additional $500,000 in cash immediately upon execution of the November 2023 Lind Amendment. Pursuant to the November 2023 Lind Amendment. We also agreed to amend the definitions of "Second Funding Amount" and "Second Principal Amount" in the Lind SPA to decrease such amount from $10.0 million to $9.5 million and from $12.0 million to $11.4 million, respectively.

As consideration for the amendment to the First Funding Amount in the November 2023 Lind Amendment, we agreed to amend the Lind Note and increase the principal amount of the Lind Note from $9.0 million to $9.6 million. Additionally, we agreed to amend the conversion price of the Lind Note from $0.45 to $0.35. Further, as consideration for the November 2023 Lind Amendment, we agreed to amend the Lind Warrants and issue to Lind additional warrants to purchase 1,428,572 of our ordinary shares, bringing the total amount of shares that can be purchased under the Lind Warrants to 8,928,572 ordinary shares. We also agreed to amend the exercise price of the Lind Warrant from $0.45 per ordinary share to $0.35 per ordinary share. Finally, we agreed to file a registration statement (or amend an existing registration statement) no later than 15 days from entry into the November 2023 Lind Amendment to register the ordinary shares issuable upon conversion of the Lind Note and the ordinary shares issuable upon the exercise of the Lind Warrants.

Lind currently claims that we are in default under the outstanding Lind Convertible Note and Lind Agreement due to our alleged failure to file a registration statement within 30 days of the entry into the Lind Agreement and have such registration statement declared effective within 90 days of our entry into the Lind Agreement, as well as for certain issuances we made in contravention of the Lind Agreement (including the entry into the Shayna Loan Agreements). As a result of this claimed default it is uncertain when, if at all, we may be able to receive the additional amounts called for under the Lind Agreement as part of the Second Closing. They are expected to convert after a registration statement is filed by us, which we intend to promptly file following the filing of this Annual Report.

Dominion Equity Line of Credit

On March 28, 2023 (the "Effective Date"), we and Dominion Capital LLC and its affiliates (together, "Dominion") entered into an Equity Purchase Agreement (the "Purchase Agreement"), pursuant to which the Company, may, but is not required to, issue up to $100,000,000 of the Company's ordinary shares to Dominion over the course of 36 months from the Effective Date.

As consideration for Dominion's purchase commitment, the Company issued to Dominion 1,000,000 (100,000 post the reverse split) of its ordinary shares on the Effective Date (the "Commitment Shares"). The Commitment Shares were issued in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof and Dominion has agreed not to sell or transfer the Commitment Shares for a period of six (6) months following the Effective Date. Dominion had previously claimed that it has advanced to the Company $2.5 million as an upfront commitment under the ELOC (the "ELOC Upfront Commitment") upon closing of the Business Combination. Upon a draw-down of the equity line by the Company, 50% of such draw down must be used to first repay the ELOC Upfront Commitment. The Company never filed an F1 to register this ELOC.

The Purchase Agreement contains certain registration rights, pursuant to which the Company agreed to file a registration statement within 45 days of the Effective Date to register the Commitment Shares and other ordinary shares to be issued to Dominion pursuant to the Purchase Agreement (the "Dominion Registration Statement").

Following the Effective Date, subject to certain conditions (including the effectiveness of the Dominion Registration Statement), the Company has the right, but not the obligation, on any business day selected by the Company (the "Purchase Date"), to notify Dominion (an "Advance Notice") and require Dominion to purchase an amount of ordinary shares equal to the lesser of: (i) an amount equal to fifteen percent (15)% of the aggregate Daily Traded Volume of Ordinary Shares on the Nasdaq Global Market for the ten (10) Trading Days immediately preceding such notice date and (ii) $5,000,000. The purchase price for regular purchases (the "Purchase Price") shall be equal to 96% of the average daily volume weighted average price of the Company's ordinary shares during the five days prior to submission of an Advance Notice. Advance Notices must be received by the Dominion by 8:30 a.m. EST on a Trading Day. Advance Notices can be submitted no more than once per any given calendar week. However, subject to the satisfaction of the conditions under the Purchase Agreement, the Company may deliver Advance Notices from time to time, provided that it delivered all shares relating to all prior Advance Notices. The Parties may mutually agree to increase the number of ordinary shares sold to Dominion pursuant to an Advance Notice.

The Purchase Price will be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse share split or other similar transaction occurring during the business days used to compute the Purchase Price.

The Purchase Agreement contains customary representations, warranties, covenants, closing conditions, indemnification and termination provisions. Sales under the Purchase Agreement may commence only after certain conditions have been satisfied, which conditions include the effectiveness of the Dominion Registration Statement covering the ordinary shares issued or to be sold by the Company to Dominion under the Purchase Agreement, the filing with the Nasdaq Stock Market of a Listing of Additional Shares notification with respect to the shares and Nasdaq having raised no objection to the consummation of transactions contemplated under the Purchase Agreement, and the receipt by Dominion of a customary opinion of counsel and other certificates and closing documents.

The Purchase Agreement may be terminated by the Company at any time, at its sole discretion, without any cost or penalty, by giving five trading days' notice to Dominion to terminate the Purchase Agreement provided that (i) there are no outstanding Advance Notices, the Ordinary Shares under which have yet to be issued, and (ii) the Company has paid all amounts owed to Dominion pursuant to the Agreement, including the Up-Front Advance. Dominion has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the ordinary shares of the Company.

Except as set forth herein, there are no limitations on the use of proceeds, financial or business covenants, restrictions on future financings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. The Company may deliver Advance Notices under the Purchase Agreement, subject to market conditions, and in light of its capital needs, from time to time and under the limitations contained in the Purchase Agreement. Any proceeds that the Company receives under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

Secured Promissory Note

In connection with the firm commitment for the ELOC, the Company and Dominion entered into a senior secured demand promissory note (the "Secured Promissory Note") to evidence the Company's obligation to repay the ELOC Upfront Commitment. The Secured Promissory Note will bear interest at a rate of 10% per annum and is due on demand.

We are currently in default under the Secured Promissory Note due to our failure to provide security to Dominion under the Secured Promissory Note. Dominion has demanded payment in full of the ELOC Upfront Commitment. We have not made such payment and are currently in discussions with Dominion as to solutions to cure the default.

Convertible Notes

Upon the closing of the Business Combination, agreement the Company entered into two convertible notes agreements (collectively, the "Convertible Notes Agreements") with A.G.P./Alliance Global Partners ("AGP"), the representative of the underwriters in RNER's IPO and a stockholder of RNER, and another vendor involved in the Business Combination (the "Vendor"). Pursuant to the Convertible Notes Agreements, AGP purchased convertible notes of and from the Company in an aggregate principal amount of $5,219,319 and the Vendor purchased convertible notes of and from the Company in an aggregate principal amount of $349,319 (each, a "Convertible Notes"). Each Convertible Notes will bear interest at a rate of 6% per annum, has a maturity date of March 1, 2024 and will be convertible for Company Ordinary Shares at AGP's or the Vendor's option, as applicable, at any time prior to the respective Convertible Notes being paid in full. The proceeds from the Convertible Notes Agreements were used to pay expenses in connection with the closing of the Business Combination agreement. The loan from AGP wasn't either paid or converted.

AGP claims that the Company is in default under the Convertible Notes Agreements, having failed to make the required payments thereunder, and the parties are in a commercial dispute. We are currently in discussions with AGP and the Vendor as to solutions to cure the claimed defaults and anticipate resolving the issue following the filing of this Annual Report.

A-Labs Loan

On January 16, 2023, we entered into a loan agreement with A-Labs Finance and Advisory Ltd. ("A-Labs"), pursuant to which A-Labs agreed to issue us a $1,000,000 principal amount note for gross proceeds of $900,000 (the "A-Labs Loan"). The principal amount A-Labs Loan is due to be repaid in one repayment on January 16, 2026 (the Maturity Date") (36 months from the execution of the A-Labs Loan). The A-Labs Loan bears interest at 12% per annum and interest became payable quarterly commencing on April 1, 2023 until the Maturity Date. Overdue payments will accrue interest in arrears at the rate of 18% per annum from the relevant payment date until such payment is made.

In order to secure the repayment under the A-Labs Loan, we committed to apply to the within two (2) business days from receipt of the A-Labs Loan, to register a floating lien in favor of A-Labs on certain of our assets.

A-Labs currently claims that we are in default under the A-Labs Loan, having failed to make the required quarterly interest payments thereunder or timely provide a lien on our assets in favor of A-Labs with the Registrar of Companies. We are currently in discussions with A-Labs as to solutions to cure the claimed defaults and anticipate curing the defaults following the filing of this Annual Report.

BST Loan

We entered into a Loan and Security Agreement with Blackswan Technologies, Inc., a Delaware corporation ("BST"), with an effective date of December 4, 2023 (the "BST Loan Agreement"). Under the BST Loan Agreement, we may make, at our sole discretion, cash advances to BST, from time to time, until June 30, 2024, in an aggregate principal amount of up to $6,000,000.

The principal amounts we lend to BST under the BST Loan Agreement accrue interest at a fixed rate per annum equal to fifteen percent (15%) and are repayable on January 1, 2025, provided that BST has the right to prepay the any outstanding loan amounts upon at least two days prior notice. Upon the occurrence of certain customary events of default, any outstanding loan amounts are immediately repayable and overdue obligation will carry interest at a fixed rate per annum equal to eighteen percent (18%).

As a continuing security for the full and punctual payment and performance when due (whether at stated maturity, acceleration or otherwise) of BST's obligations under the BST Loan Agreement, each of BST and its subsidiary, Blackswan Technologies Gmbh, a German company ("BST Germany"), granted us a first ranking fixed charge and pledge in all of the rights and interests of BST, BST Germany and their subsidiaries (i) under any agreements entered into by any of them following the effective date of the BST Loan Agreement and any rights to receive proceeds thereunder and (ii) in any Intellectual Property.

As of the date of this Annual Report, we made cash advances in an aggregate amount of $2.066 million to BST under the BST Loan Agreement.

Debt Arrangement with Comsec Creditors

On March 24, 2024, we entered into a debt settlement agreement (the "Debt Settlement Agreement") with certain creditors of Comsec. Comsec's total liabilities are equal to approximately NIS 55.0 million (approximately $14.8 million) divided between different groups of creditors with different priorities, which is covered by a guarantee by us of up to NIS 50.0 million (approximately $13.4 million). Pursuant to the Debt Settlement Agreement, we agreed with one of Comsec's creditors to pay NIS 13.656 million (approximately $3.7 million) in accordance with the following payment schedule:

(i) NIS 5.0 million (approximately $1.3 million) to be paid no later than April 7, 2024

(ii) NIS 4.328 million (approximately $1.2 million) to be paid no later than paid May 15, 2024

(iii) NIS 4,328 million (approximately $1.2 million) to be paid no later than July 15, 2024

As of the date of this Annual Report, we have paid the first two installments and expect to pay the third installment after the filing of this Annual Report.

Quantitative and Qualitative Disclosures of Market Risk

HUB is highly exposed to market risk in the ordinary course of business given its dependency on share issuances for financing transactions. Market risk represents the risk of loss that may impact HUB's financial position due to adverse changes in financial market prices and rates. HUB's market risk exposure is primarily a result of foreign currency exchange rates and interest rates, which are discussed in detail below.

Foreign Currency Exchange Rate Risk

Though HUB operates internationally, its operations are primarily located in Israel and the majority of its expenses are denominated in New Israeli Shekels, or NIS. HUB is subject to fluctuations in foreign currency rates in connection with these arrangements. With respect to its foreign currency exposures as of December 31, 2023, a 10% unfavorable movement in foreign currency exchange rates would have increased its operating loss by approximately 0.31%.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

HUB's exposure to the risk of changes in market interest rates relates primarily to HUB's long-term liabilities with floating interest. This risk is of primary focus to HUB given its current dependency on debt financing and the ability to obtain future debt financing. HUB manages its interest rate risk by seeking to have a balanced portfolio of fixed and variable rate loans.

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. HUB will qualify as an "emerging growth company" under the JOBS Act.

HUB is in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," HUB chooses to rely on such exemptions it may not be required to, among other things, (i) provide an auditor's attestation report on its system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of the Business Combination or until HUB is no longer an "emerging growth company," whichever is earlier.

C. Research and Development, Patents and Licenses, Etc.

For a discussion of our research and development policies, see "Item 4.B" above and the "Key Information —Risk Factors —Risks Related To Our Incorporation and Operations In Israel" in Item 3.D above.

For a description of our intellectual property, please see "Item 4.B" above under "—Intellectual Property.

D. Trend Information

Other than as described in Item 3.D. "Key Information —Risk Factors" and in Item 5.A. "Operating and Financial Review" of this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our results of operations or financial condition, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Critical Accounting Estimates

We describe our significant accounting policies and estimates in Note 3 to our annual financial statements for the year ended December 31, 2023. We believe that these accounting policies and estimates are critical in order to fully understand and evaluate our financial condition and results of operations.

We prepare our financial statements in accordance with IFRS as issued by the IASB.

The preparation of financial statements in conformity with IFRS requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of revenues and expenses during the reporting periods and the accounting policies adopted by the Company. Actual results could differ from those estimates.

Recent Accounting Pronouncements

See Note 4 within HUB's audited consolidated financial statements for the years ended December 31, 2023 and 2022 included in this Annual Report for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Management and Board of Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of August 13, 2024:

Name	Age	Position
Executive Officers		
Noah Hershcoviz	41	Chief Executive Officer and Director
Lior Davidsohn	44	Interim Chief Financial Officer
Nachman Geva	53	Chief Technology Officer
Osher Partok Rheinisch	51	Chief Legal Officer
Directors		
Kasbian Nuriel Chirich (1)(2)(4)	65	Chairman of the Board
Lior Lurye (1)(3)(4)	57	Director
Ilan Flato (1)(2)(3)(4)	66	Director
Matthew Kearney (4)	59	Director
Uzi Moskovich	59	Director

(1) Member of our audit committee

(2) Member of our compensation committee

(3) Member of our nominating, governance, compliance and sustainability committee

(4) Independent director under the rules of Nasdaq

Executive Officers

Noah Hershcoviz has served as our Chief Executive Officer since December 2023 and as a member of our board of directors since October 2023. Mr. Hershcoviz previously served as our Chief Strategy Officer from October 2023 to December 2023. Mr. Hershcoviz has served as a member of the boards of BlackSwan Technologies AI since 2022, the 12.64 Fund since 2021, and A-Labs Capital II Corp. (TSXV: ALAB-P.V) since 2021, and Sency.Ai since 2020. Mr. Hershcoviz previously served as a member of the boards of AdRabbit Ltd. (TSXV: RABI) from 2021 to 2023 and Oceansix Future Paths Ltd. (TSXV: OSIX.V) from 2020 to 2022. Mr. Hershcoviz has also served as Managing General Partner of the 12.64 Fund since 2021 and as Managing Partner, Head of Investing Banking of A-Labs Finance and Advisory since 2017. Prior to such roles, between 2016 and 2017, Mr. Hershcoviz served as VP Strategy of MCE Systems Ltd. Mr. Hershcoviz holds an LLB in law and a B.A. in Accounting from The Interdisciplinary Center in Herzliya, Israel and is a certified public accountant in Israel and a member of the Israeli Bar Association.

Lior Davidsohn has served as our Interim Chief Financial Officer since February 2024, as well as during September and October 2023. From 2019 to 2023 Mr. Davidsohn was a finance manager and business controller at Philips Electronics IL in Israel. Prior to that, from 2018 to 2019, Mr. Davidsohn was the chief financial officer of Compedia Ltd., a finance director at Leadcome from 2017 to 2018, and the chief accounting officer at Alcatel-Lucent Ltd. From 2014-2017. Mr. Davidsohn is a certified CPA and holds a B.A. in Social Sciences from Bar-Ilan University in Israel and a CPA Accreditation from the College of Management in Israel.

Nachman Geva has served as our Chief Technology Officer since January 2024. Since 2014, Mr. Geva has served as the chief technology officer for A.I.S. Active Intelligence Solutions Ltd., a company that he also co-founded. From 2019 to 2021, Mr. Geva served as the vice president of research and development and the chief product officer of Verint's CES Ltd.'s Data Intelligence group, and from 2018 to 2019, he served as the vice president of research and development and the chief product officer of WebIntPro Ltd. Mr. Geva holds a B.A. in Computer Science from the Technion – Israel Institute of Technology, Haifa, Israel and an MBA from the University of Massachusetts Amherst.

Osher Partok Rheinisch has served as our Chief Legal, Compliance and Data Protection Officer since September 25, 2022. Prior to joining HUB, Ms. Rheinisch served as the General Counsel and Compliance Officer at Orgenesis, Inc. (Nasdaq: ORGS) from March 2021 to September 2022. Prior to serving at Orgenesis, Ms. Rheinisch served as the Compliance Counsel at Amdocs Ltd (Nasdaq: DOX) from November 2017 to March 2021. Ms. Rheinisch earned an LLB and MBA from Tel Aviv University and she has more than 20 years of commercial, corporate and compliance legal experience. Ms. Rheinisch was admitted to both the Israel and the New York State Bars and she is a member of the Association of Corporate Counsels and the International Association of Privacy Professionals through which she holds CIPP/E, CIPM and FIP certifications.

Directors

Kasbian Nuriel Chirich has served as the Chairman of our Board of Directors since February 2023. Mr. Chirich currently serves as the Honorary Consul of Tanzania in Israel. Mr. Chirich founded Cellect Biotechnology Ltd. in 2011 and served as executive chairman of its board of directors from 2014 until 2020, prior to the completion of its business combination with Quoin Pharmaceuticals, Inc., in 2021 Mr. Chirich is an entrepreneur and businessman with extensive financial and business expertise with innovative ventures throughout East Africa and Israel. Mr. Chirich is a real estate developer and was previously the founder and chief executive officer of LeadCom Kasbian (TZ) Ltd., which is credited, among other thing, with establishing the national television of Tanzania and building the infrastructure of two cellular networks in Tanzania.

Lior Lurye has served as a member of our Board of Directors since December 2023. Ms. Lurye has served as the chief executive officer and owner of Lior Lurye Computer Applications Ltd., Tel Aviv, Israel, since 1999 and served as a member of the board of directors of Top Image Systems Ltd., which was previously listed on Nasdaq, from 2009 to 2012. Prior to founding Lior Lurye Computer Applications Ltd., Ms. Lurye served as a project manager at Bezeq, an Israeli telecommunications company, from 1998 to 1999, and as the vice president of information technology at Adir International Communications, Israel. Ms. Lurye holds a B.Sc. in Mathematics and Computer Science from Touro College in New York and an M.B.A. from Tel Aviv University, Israel. Ms. Lurye also received certification as a computer science practical engineer from Tel Aviv University, Israel. Since Lior Lurye Computer Applications Ltd. is a competitor of Aginix Engineering & Project Management Ltd. and Senscom Consulting and Project Management Ltd., two of our QPoint group subsidiaries. Ms. Lurye does not vote on any matters related to Aginix, Senscom or QPoint.

Ilan Flato has served as a member of our Board of Directors director since April 2023. Mr. Flato has served as President and Chief Executive Officer of The Israeli Association of Publicly Traded Companies (on the Tel-Aviv Stock Exchange) since January 2012. Mr. Flato served as a member of the boards of the Business Corporations of Kibbutz Naan from 2018 to 2020, and Gal Provident Funds from 2009 to 2019, respectively. From 2009 until 2018, Mr. Flato served as a director in two Provident Funds. From 2009 until April 2018, Mr. Flato served as Chairman of the Business Executive of Kibbutz Kfar Blum. From January 2018 until April 2020, Mr. Flato served as Chairman of the Business Executive Kibbutz "NAAN". Since 2004, Mr. Flato has functioned as an independent financial adviser. Until 2004, Mr. Flato served as the division manager and vice president for planning, economics and online banking in United Mizrahi Bank Tefahot and as the Chief Economist of the bank. From 1992 until 1996, Mr. Flato served as the Economic Advisor to the Prime Minister of Israel. Prior to that position, Mr. Flato served in the Treasury Office as the deputy director of the budget department. Additionally, Mr. Flato has served as a director of Tower Semiconductor Ltd. since 2009, as well as on the audit and compensation committees, and served as a member of the board of directors of many government-owned companies as well. Mr. Flato holds a B.A. in Economics from Tel-Aviv University in Israel, an LLB from Netanya College in Israel, an M.A. in Law from Bar-Ilan University in Israel and an MSIT from Clark University. Mr. Flato has been a member of the Israel Bar Association since 2011.

Matthew Kearney has served as a member of our Board of Directors since March 2023, upon the completion of the Business Combination. Mr. Kearney previously served as RNER's Chief Executive Officer and has served as a member of its board of directors since October 2021 and became the Chairman of RNER's board of directors upon the consummation of the RNER IPO. Mr. Kearney has 30 years of experience as an investment executive, Chief Executive Officer, Executive Chairman, and head of mergers and acquisitions in the United States and United Kingdom in the areas of private equity, technology, media and telecom industries. Mr. After graduating from the London Business School and as Investment Director at 3i PLC, Matthew joined Carlton Communications PLC, the acquisitive FTSE 100 media conglomerate, as head of Mergers & Acquisitions, becoming an officer of the board in the process. Mr. Kearney moved to New York in 2002 to take up his first Chief Executive Officer position at Screenvision, LLC, a Carlton/Thomson joint venture where he grew revenue by 300%, with strong EBITDA margins leading to a profitable sale of Screenvision LLC to the Disney Family 's Shamrock PE fund in 2010. Mr. Kearney has since launched the global news site Mail Online in the United States, then ran a Carlyle Group Portfolio Company as Executive Chairman. Mr. Kearney has served as the Chief Executive Officer of ICV's portfolio company Leading Response since 2019 and as an operating partner of Rockbridge Growth Equity, LLC since 2015. Mr. Kearney holds or has held board positions on companies in Rock Holdings Inc. (NYSE:RKT) and Telenor ASA (NORWAY:TEL). He was a member of the investor group of MI Acquisitions, a NASDAQ listed special purpose acquisition company ("SPAC") that completed its initial business combination in 2018 to become Priority Technology Holdings (NASDAQ: PRTH). Mr. Kearney was subsequently appointed board director and audit chair of Priority Technology. Mr. Kearney's not for profit affiliations have included board positions at the British Academy of Film and Television Arts ("BAFTA") and the American Financial Education Alliance ("AFEA") which is dedicated to improving the public's understanding of personal wealth management. Mr. Kearney has an MBA from London Business School, a BSc (Hons) in Aerospace Aeronautical and Astronautical Engineering from Manchester University, and C.Eng. ("RAeS").

Uzi Moskovich has served as a member of our board of directors since June 2021 and as our Chief Executive Officer from February 2023 to December 2023. Prior to becoming our Chief Executive Officer in February 2023, Mr. Moskovich served as Chairman from April 2022 to February 2023. Mr. Moskowitz has served as the Chief Executive Officer of Wave Guard Technologies Ltd. since February 2019, and from 2018 to 2018 as the Vice President at Israel Aerospace Industries (IAI). Mr. Moskowitz has also served on the boards of BrandShield Systems Plc (LSE: BRSD.L) and Migdal Insurance and Financial Holdings Ltd (TASE: MGDL.TA) since February 2021 and April 2018, respectively. Mr. Moskowitz received his B.Sc. in Aeronautical Engineering from the Technion Israel Institute of Technology, his MBA from New York University and his M.Sc. in Strategic Studies from the US Army War College.

B. Compensation

Directors

Under the Companies Law, the compensation of a public company's directors requires the approval of (i) its compensation committee, (ii) its board of directors and, unless exempted under regulations promulgated under the Companies Law, (iii) the approval of its shareholders at a general meeting. In addition, if the compensation of a public company's directors is inconsistent with the company's compensation policy, then those inconsistent provisions must be separately considered by the compensation committee and board of directors, and approved by the shareholders by a special vote in one of the following two ways:

- at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting at such meeting, vote in favor of the inconsistent provisions of the compensation package, excluding abstentions; or

- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter voting against the inconsistent provisions of the compensation package does not exceed two percent (2%) of the aggregate voting rights in the Company.

Executive officers other than the chief executive officer

The Companies Law requires the compensation of a public company's executive officers (other than the chief executive officer and who do not also serve as a director) be approved in the following order: (i) the compensation committee, (ii) the company's board of directors, and (iii) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special vote as discussed above with respect to the approval of director compensation that is inconsistent with the compensation policy).

However, there are exceptions to the foregoing approval requirements with respect to such non-director executive officers. If the shareholders of the company do not approve the compensation of such a non-director executive officer, the compensation committee and board of directors may override the shareholders' disapproval for such non-director executive officer provided that the compensation committee and the board of directors each document the basis for their decision to override the disapproval of the shareholders and approve the compensation.

An amendment to an existing compensation arrangement with a non-director executive officer requires only the approval of the compensation committee, if the compensation committee determines that the amendment is immaterial. However, if such non-director executive officer is subordinate to the chief executive officer, an immaterial amendment to an existing compensation arrangement shall not require the approval of the compensation committee if (i) such amendment is approved by the chief executive officer, (ii) the company's compensation policy allows for such immaterial amendments to be approved by the chief executive officer and (iii) the engagement terms are consistent with the company's compensation policy.

Chief executive officer

Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (i) the company's compensation committee, (ii) the company's board of directors and (iii) the company's shareholders (by a special vote as discussed above with respect to the approval of director compensation that is inconsistent with the compensation policy). However, if the shareholders of the company do not approve the compensation arrangement with a chief executive officer who does not serve as a director, the compensation committee and board of directors may override the shareholders' decision provided that they each document the basis for their decision. The approval of each of the compensation committee and board of directors should be in accordance with the company's compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained (by a special majority vote as discussed above with respect to the approval of director compensation that is inconsistent with the compensation policy).

In the case of a new chief executive officer, the compensation committee may waive the shareholder approval requirement with regard to the compensation of a candidate for the chief executive officer position if the compensation committee determines that: (i) the compensation arrangement is consistent with the company's compensation policy, (ii) the chief executive officer candidate did not have, on the date of his appointment or during the two-year period preceding his appointment, an "affiliation" (including an employment relationship, a business or professional relationship or control) with the company or a controlling shareholder of the company or a relative thereof and (iii) subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate. However, if the chief executive officer candidate will serve as a member of the board of directors, such candidate's compensation terms as chief executive officer must be approved in accordance with the rules applicable to approval of compensation of directors.

Compensation of Executive Officers and Directors

The aggregate cash compensation and benefits in kind, paid by us and our subsidiaries to our executive officers and directors as a group for the year ended December 31, 2023 was approximately $254,000. In addition, in 2023 we granted to our executive officers and directors a total of 550,000 restricted share units and 350,000 performance share units to purchase our ordinary shares. General vesting terms for the options and restricted share units will vest over a 4-year period therefrom and the options typically expire 10 years from the date of grant. In certain cases our Board of Directors, in line with the compensation policy approved by our shareholders, approved differing vesting terms for certain members of our senior management or board of directors.

For 2024, we expect that the aggregate base compensation payable by us and our subsidiaries to our executive officers and directors as a group will be in the aggregate amount of approximately $338,000. This amount excludes potential salary raises, bonuses and share-based compensation, which have not yet been determined for 2024.

The following is a summary of the salary expenses and social benefit costs of our five most highly compensated executive officers in 2023, or the "Covered Executives." All amounts reported reflect the cost to the Company as recognized in our financial statements for the year ended December 31, 2023. U.S. dollar amounts indicated for compensation of our Covered Executives are in thousands of dollars.

Name and Principal Position[2]	Base Salary ($)[3]	Variable compensation ($)	Equity-Based Compensation ($)[4]	Total ($)
Uzi Moskovich				
Former Chief Executive Officer and Director[5]	222,198	-	475,713	697,912
Noah Hershcoviz				
Chief Executive Officer and Director[6]	49,427	-	113,753	163,179
Osher Partok Rheinisch,				
Chief Legal Officer	281,855	-	1,128,230	1,410,085
Hugo Goldman				
Former Chief Financial Officer[7]	272,576	-	-	272,576
Andrey Iaremenko				
Former Chief Technology Officer[8]	334,323	-	-	334,323

(1) All amounts reported in the table are in terms of cost to us, as recorded in our financial statements.
(2) All Covered Executives listed in the table are our full-time employees. Cash compensation amounts denominated in currencies other than the U.S. dollar were converted into U.S. dollars at the average conversion rate for 2023.
(3) Amounts reported in this column include the base salary and the social benefits paid by us on behalf of the Covered Executives, convalescence pay, contributions made by the company to an insurance policy or a pension fund, work disability insurance, severance, educational fund and payments for social security.
(4) Amounts reported in this column represent the expense recorded in our financial statements for the year ended December 31, 2023 with respect to equity-based compensation grants. The relevant amounts underlying the equity awards granted to our officers during 2023, will continue to be expensed in our financial statements over a four-year period during the years 2023 – 2026 on account of the 2023 grants in similar annualized amounts. All equity-based compensation grants to our Covered Executives were made in accordance with the parameters of our Company's compensation policy and were approved by our compensation committee and board of directors.
(5) Uzi Moskovich served as our chief executive officer from February 2023 to December 2023.
(6) Noah Hershcoviz was appointed as Director on October 3, 2023, and as Chief Executive Officer on December 4, 2023.
(7) Hugo Goldman resigned from his position as Chief Financial Officer on August 16, 2023. Kobi Levi was appointed as Chief Officer on November 19, 2023, From August 17, 2023 to November 18, 2023, Lior Davidson, the Company's VP Finance served as Interim CFO.
(8) Andrey Iaremenko resigned from his position as Chief Technology Officer on December 31, 2024.

At our annual general meeting of shareholders in 2023, our shareholder approved to modify the compensation payable to our directors and pay each of our directors the following compensation in respect of 2023 and onward, with the cash portion of the compensation to be paid promptly following the end of each calendar quarter (or at the termination of the director's service in the event of the director's termination prior thereto):

- An annual fee of $50,000 for each member of the board of director or $130,000 for the chairman of the board of directors (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year);

- An annual fee of $10,000 for each member of the audit committee (or $15,000 for the chair), $8,000 for each member of the compensation committee (or $12,000 for the chair), $6,000 for each member of the nominating, governance, compliance and sustainability committee (or $9,000 for the chair) (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year) and, if applicable, $15,000 for each member (including the chair) of a special committee that may be established by the board of directors from time to time (even if less than a full calendar year);

- In addition, a non-employee director will be entitled to an additional annual fee if such non-employee director participated in more than 25 meetings of the board of directors and its committees in a calendar year, equal to a pro rata amount of the annual board of director membership fee, based on the applicable number of meetings attended;

- A grant of 20,000 RSUs to each director on the date of each annual general meeting of the Company, provided that we may defer the grant date if there are insufficient ordinary shares registered with the SEC on a Form S-8, until the date immediately following the filing of the applicable Form S-8. Each such grant of RSUs will vest in eight equal quarterly installments, subject to the continuing service of the grantee as a one of our directors. The vesting period of a director's first grant of RSUs will commence from the date of such director's initial appointment or election to the board of directors, and the vesting period of each future grant will commence on the date of the applicable annual general meeting; and

- RSUs issued to U.S.-resident directors shall be classified as non-qualified, while options issued to Israel-resident directors shall be issued under the Capital Gains tax track pursuant to Section 102 of the Israeli Income Tax Ordinance (New Version), 1961 (the "Ordinance").

Notwithstanding the foregoing, in light of the extraordinary efforts that our current directors expended in 2023 in dealing with our multiple challenges, at our annual general meeting of shareholders in 2023, our shareholder approved the grant of 50,000 RSUs to each of the current directors following the 2023 annual meeting, on a one-time basis.

Share Option Plans

2007 Employee Stock Option Plan

In 2007, HUB (ALD prior to its merger with HUB) adopted its 2007 Employee Stock Option Plan (the "2007 Plan"), as amended from time to time. The 2007 Plan provides for the grant of options to the employees, directors, office holders, service providers and consultants of HUB and its subsidiaries and affiliates.

Authorized Shares. As of December 31, 2023, there were no ordinary shares reserved and available for issuance under the 2007 Plan pursuant to previously granted options awards that remain outstanding. We no longer grant any awards under the 2007 Plan, though previously granted options under the 2007 Plan remain outstanding under the 2007 Plan.

Administration. HUB's board of directors, or a duly authorized committee of the board of directors (the "Administrator"), administers the 2007 Plan. Under the 2007 Plan, the Administrator has the authority, subject to applicable law, to (among other things) interpret the terms of the 2007 Plan and any notices of grant or options granted thereunder, designate recipients of option grants, determine and amend the terms of awards, including: the number of shares underlying each award, provisions concerning the time and extent to which the options may be exercised and the nature of restrictions as to transferability, the class and the exercise price of an option or purchase price per share covered by an award, the fair market value of HUB ordinary shares, the time of grant and vesting schedule applicable to an award (including the determination to accelerate an award and/or amend the vesting schedule), the method of payment for shares purchased upon the exercise or (if applicable) vesting of an award or for satisfaction of any tax withholding obligation arising in connection with the award or such shares, the time of the expiration of the awards, the effect of the grantee's termination of employment, the cancellation or the suspension of awards, prescribe the forms of agreement under which each award is granted, and take all other actions and make all other determinations necessary or desirable for, or incidental to, the administration of the 2007 Plan and any award under the 2007 Plan.

Eligibility. The 2007 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 ("Section 102") of the Israeli Income Tax Ordinance (New Version) (the "Ordinance") and Section 3(i) of the Ordinance.

Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares or options under certain terms and conditions. HUB's non-employee service providers and controlling shareholders who are considered Israeli residents may only be granted options under Section 3(i) of the Ordinance, which does not provide for similar tax benefits. Section 102 includes two alternatives for tax treatment involving the issuance of options or shares to a trustee for the benefit of the grantees and also includes an additional alternative for the issuance of options or shares directly to the grantee. Section 102(b)(2) of the Ordinance, the most favorable tax treatment for the grantee, permits the issuance to a trustee under the "capital gain track".

Grant. All awards granted pursuant to the 2007 Plan are evidenced by a written agreement between HUB and the grantee or a written notice delivered by HUB (the "Award Agreement"). The Award Agreement sets forth the terms and conditions of the award, including the type of award, number of shares subject to such award, manner of exercise, term and vesting schedule (including performance goals or measures) and the exercise price, if applicable.

Exercise. An award under the 2007 Plan may be exercised by providing HUB (or to any third party designated by HUB) with a written notice of exercise and full payment of the exercise price for such shares underlying the award, if applicable, in such form and method as may be determined by the Administrator and permitted by applicable law. An award may not be exercised for a fraction of a share. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2007 Plan, the Administrator may, in its discretion, among others, accept cash or otherwise provide for net withholding of shares in a cashless or net exercise mechanism.

Transferability. Other than by will, the laws of descent and distribution or as otherwise provided under the 2007 Plan, and unless otherwise determined by the Administrator, neither the awards nor any right in connection with such awards are assignable or transferable.

Termination of Employment. In the event of termination of a grantee's employment or service with HUB or any of its affiliates, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within three months after such date of termination, unless otherwise determined by the Administrator. Any awards which are unvested as of the date of such termination, or which are vested but not exercised within the three-month period following such termination, will terminate.

In the event of termination of a grantee's employment or service with HUB or any of its affiliates due to such grantee's death or disability, all vested and exercisable awards held by such grantee as of the date of termination may be exercised, within one year after such date of termination, unless otherwise provided by the Administrator. Any awards which are unvested as of the date of such termination or which are vested but not exercised within the one-year period following such termination, will terminate.

Notwithstanding any of the foregoing, if a grantee's employment or services with HUB or any of its affiliates is terminated for "cause" (as defined in the 2007 Plan), unless otherwise determined by the Administrator, all outstanding awards held by such grantee (whether vested or unvested) will terminate on the date of such termination.

Transactions. In the event of an exchange or change of HUB's ordinary shares by declaration of a s stock split, consolidation or exchange of share capital of HUB recapitalization, or other similar occurrences, the number and class and kind of shares subject to the 2007 Plan any options granted thereunder shall be adjusted and, the exercise price per share covered the options shall be appropriately adjusted. No adjustment shall be made by reason of the distribution of subscription rights on outstanding shares.

In the event of a merger, acquisition, reorganization, amalgamation or consolidation of HUB, or a sale of all, or substantially all of HUB's assets ("Transaction"), (i) all outstanding shares subject to the unexercised portions of outstanding options will be replaced or substituted by the successor corporation in such Transaction and appropriate adjustments shall be made to the exercise price and all other terms and conditions shall remain unchanged, all as determined by the Administrator or (ii) if the outstanding options are not assumed or substituted the Administrator may provide for an acceleration of vesting of unvested options as of the date that is ten days from the date of the Transaction.

In the event HUB is voluntarily liquidated or dissolved, all vested and unexercised options shall become exercisable within ten days of notice to the grantee, and following such period, all remaining outstanding options will terminate immediately.

2021 Employee Stock Option Plan

In 2021, HUB adopted the 2021 Employee Stock Option Plan ("2021 Plan"). The 2021 Plan provides for the grant of equity-based incentive awards to HUB's and its affiliates' employees, directors, office holders, service providers and consultants in order to incentivize them to increase their efforts on behalf of HUB or its affiliates and to promote the success of HUB's business.

Authorized Shares. As of December 31, 2023, there were 2,295,078 ordinary shares reserved and available for issuance under the 2021 Plan. Following the adoption of the 2021 Plan, HUB ceased making grants under the 2007 Plan, though previously granted options under the 2007 Plan remain outstanding under the 2007 Plan.

Administration. HUB's board of directors, or a duly authorized committee of the board of directors (the "Administrator"), will administer the 2021 Plan. Under the 2021 Plan, the Administrator has the authority, subject to applicable law, to interpret the terms of the 2021 Plan and any award agreements or awards granted thereunder, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option award, the fair market value of an ordinary share, the time and vesting schedule applicable to an award or the method of payment for an award, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the 2021 Plan and take all other actions and make all other determinations necessary for the administration of the 2021 Plan.

The Administrator also has the authority to approve the conversion, substitution, cancellation or suspension under and in accordance with the 2021 Plan of any or all option awards or ordinary shares, and the authority to modify option awards to eligible individuals who are foreign nationals or are individuals who are employed outside Israel or the United State of America to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of the 2021 Plan but without amending the 2021 Plan.

The Administrator also has the authority to amend and rescind rules and regulations relating to the 2021 Plan or terminate the 2021 Plan at any time. No termination or amendment of the 2021 Plan shall affect any then outstanding award unless expressly provided by the Administrator.

Eligibility. The 2021 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Ordinance, and Section 3(i) of the Ordinance and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

Grants. All awards granted pursuant to the 2021 Plan will be evidenced by an award agreement, in a form approved, from time to time, by the Administrator in its sole discretion. The award agreement will set forth the terms and conditions of the award, including the type of award, number of shares subject to such award, vesting schedule and conditions (including performance goals or measures) and the exercise price, if applicable. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards.

Unless otherwise determined by the Administrator and stated in the award agreement, and subject to the conditions of the 2021 Plan, awards vest and become exercisable under the following schedule: 25% of the shares covered by the award on the first anniversary of the vesting commencement date determined by the Administrator (and in the absence of such determination, the date on which such award was granted) and 12.5% of the shares covered by the award at the end of each subsequent six-month period thereafter over the course of the following three years; provided that the grantee remains continuously as an employee or provides services to HUB throughout such vesting dates.

Each award will expire up to ten years from the date of the grant thereof, unless such shorter term of expiration is otherwise designated by the Administrator.

Awards. The 2021 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares units ("RSUs"), share purchase rights and other share-based awards.

Options granted under the 2021 Plan to HUB employees who are U.S. residents may qualify as "incentive stock options" within the meaning of Section 422 of the Code, or may be non-qualified stock options. The exercise price of an option may not be less than the par value of the shares (if the shares bear a par value) for which such option is exercisable, otherwise an exercise price of an award of less than the par value of the shares (if shares bear a par value) shall comply with section 304 of the Companies Law. The exercise price of a non-qualified stock option shall not be less than 100% of the fair market value of a share on the date of grant of such option or such other amount as may be required pursuant to the section 409A of the Code. Notwithstanding the foregoing, a non-qualified stock option may be granted with an exercise price lower than the minimum exercise price set forth above if such award is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of that complies with section 424(a) of the Code 1.409A-1(b)(5)(v)(D) of the U.S. Treasury Regulations or any successor guidance. The exercise price of an Incentive Stock Option granted under the 2021 Plan may not be less than 100% of the fair market value of the underlying share on the date of grant or such other amount as may be required pursuant to the Code. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner that complies with the provisions of Section 424(a) of the Code. In the case of Incentive Stock Options granted to a ten percent shareholders, (i) the exercise price shall not be less than 110% of the fair market value of the underlying share on the date of grant, and (ii) the exercise period shall not exceed five (5) years from the effective date of grant of such grant.

Exercise. An award under the 2021 Plan may be exercised by providing HUB with a written notice of exercise and full payment of the exercise price for such shares underlying the award, if applicable, in such form and method as may be determined by the Administrator and permitted by applicable law. An award may not be exercised for a fraction of a share. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2021 Plan, the Administrator may, in its discretion, accept cash, check, provide for net withholding of shares in a cashless or net exercise mechanism.

Transferability. Other than by will, the laws of descent and distribution or as otherwise provided under the 2021 Plan or by the Administrator, neither the awards nor any right in connection with such awards are assignable or transferable.

Termination of Employment. In the event of termination of a grantee's employment or service with HUB or any of its affiliates, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within ninety days after such date of termination, unless otherwise determined by the Administrator, but in no event later than the date of expiration of the award as set forth in the award agreement. After such three-month period, all such unexercised awards will terminate.

In the event of termination of a grantee's employment or service with HUB or any of its affiliates due to such grantee's death or permanent disability, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within one year after such date of termination, unless otherwise determined in the grantee's award agreement. Any awards which are unvested as of the date of such termination or which are vested but not then exercised within the one-year period following such date, will terminate.

The Administrator may, prior to the date of termination, extend the exercise period for the vested and exercisable options for a period not to exceed the period during which the options by their terms would otherwise have been exercisable.

Notwithstanding any of the foregoing, if a grantee's employment or services with HUB or any of its affiliates is terminated for "cause" (as defined in the 2021 Plan), subject to the discretion of the Company, all outstanding awards held by such grantee (whether vested or unvested) will terminate on the date of such termination.

Voting Rights. Grantees will not have the rights as a shareholder of HUB with respect to any shares covered by an award until the award has vested and/or the grantee has exercised such award, paid any exercise price for such award and becomes the record holder of the shares.

Dividends. Grantees holding HUB Ordinary Shares issued upon the exercise or vesting of RSUs will be entitled to receive dividends and other distributions with respect to the quantity of their holdings, subject to HUB's Articles of Association and applicable taxation.

Transactions. In the event of an exchange or change of HUB's ordinary shares by declaration of a stock split, consolidation or exchange of share capital of HUB recapitalization, or other similar occurrences, the number and class and kind of shares subject to the 2021 Plan any options granted thereunder shall be adjusted and, the exercise price per share covered the options shall be appropriately adjusted. No adjustment shall be made by reason of the distribution of subscription rights on outstanding shares.

In the event of a merger, acquisition, reorganization, amalgamation or consolidation of HUB, or a sale of all, or substantially all of HUB's assets ("Transaction"), (i) all outstanding shares subject to the unexercised portions of outstanding options will be replaced or substituted by the successor corporation in such Transaction and appropriate adjustments shall be made to the exercise price and all other terms and conditions shall remain unchanged, all as determined by the Administrator or (ii) if the outstanding options are not assumed or substituted the Administrator may provide for an acceleration of vesting of unvested options as of the date that is ten days from the date of the Transaction.

In the event HUB is voluntarily liquidated or dissolved, all vested and unexercised options shall become exercisable within ten days of notice to the grantee, and following such period, all remaining outstanding options will terminate immediately.

C. Board Practices

Corporate Governance Practices

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law, relating to matters such as external directors, the audit committee, the compensation committee and an internal auditor.

We are a "foreign private issuer", as such term is defined in Rule 405 under the Securities Act. As a foreign private issuer we will be permitted to comply with Israeli corporate governance practices instead of the certain listing rules of Nasdaq, provided that we disclose which requirements we are not following and the equivalent Israeli requirements.

We rely on this "foreign private issuer exemption" with respect to the quorum requirement for shareholder meetings and with respect to Nasdaq shareholder approval rules. Whereas under the corporate governance rules of Nasdaq, a quorum requires the presence, in person or by proxy, of holders of at least 33 1/3% of the total issued and outstanding voting power of our shares at each general meeting of shareholders, pursuant to the Articles, and as permitted under the Companies Law, the quorum required for a general meeting of shareholders will consist of at least two shareholders present in person or by proxy in accordance with the Companies Law who hold or represent at least 33 1/3% of the total outstanding voting power of our shares, except if (i) any such general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting, we qualify as a "foreign private issuer," then in such case, the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders). We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on the Nasdaq. We may, however, in the future decide to rely upon the "foreign private issuer exemption" for purposes of opting out of some or all of the other Nasdaq listing rules.

Additionally, in the event that misconduct or other inappropriate behavior is found within our company, our Board has the ability to conduct internal investigations in order to determine the nature of the conduct and to form committees and hire advisors to properly address and remediate any findings. See "Item 4. Information on the Company—History and Development of the Company—Recent Developments—*Internal Investigation*."

For more information regarding our corporate governance practices and foreign private issuer status, see Item 16G. “Corporate Governance.”

Board of Directors

Under the Companies Law and our Articles, our business and affairs are managed under the direction of our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a “general manager” under the Companies Law) is responsible for our day-to-day management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment or consulting agreement that we have entered into with him. All other executive officers are appointed by the Chief Executive Officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

We comply with the rules of Nasdaq requiring that a majority of our directors are independent. Our board of directors has determined that all of our directors, other than Noah Hershcoviz and Uzi Moskovich are independent under such rules.

Under our Articles, the number of directors on our board of directors will be no less than three and no more than eleven, divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election. Therefore, at each annual general meeting, the term of office of only one class of directors expires.

Our directors are divided among the three classes as follows:

- the Class I directors are Ilan Flato and Noah Hershcoviz, and their terms will expire at the annual general meeting of shareholders to be held in 2026;
- the Class II directors are Uzi Moskovich and Matthew Kearney, and their terms will expire at our annual meeting of shareholders to be held in 2024; and
- the Class III directors are Kasbian Nuriel Chirich and Lior Lurye, and their term will expire at our annual meeting of shareholders to be held in 2025.

Our directors will generally be appointed by a simple majority vote of holders of our ordinary shares, participating and voting (in person or by proxy) at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

Each director will hold office until the annual general meeting of our shareholders in the year in which such director’s term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless such director is removed from office as described below.

Our Articles generally require a vote of the holders of a majority of our outstanding ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority) to adopt a shareholders resolution. In addition, vacancies on our board of directors may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created. In the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our Articles, the new director filling the vacancy will serve until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors. Directors may also be dismissed or removed by a resolution adopted at a general meeting of shareholders by holders of at least 65% of our outstanding ordinary shares of the total voting power of our shareholders.

Board Diversity Matrix (As of August 13, 2024)

Country of Principal Executive Offices:	Israel
Foreign Private Issuer	Yes
Disclosure Prohibited under Home Country Law	No
Total Number of Directors	6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	0	0		
LGBTQ+	0			
Did Not Disclose Demographic Background	3			

Chairperson of the Board

Our Articles provide that the board of directors shall appoint a member of the board to serve as the Chairperson. Under the Companies Law, the chief executive officer of a public company, or a relative of the chief executive officer, may not serve as the chairperson of the board of directors, and the chairperson of the board of directors, or a relative of the chairperson, may not be vested with authorities of the Chief Executive Officer unless approved by a special majority of the company's shareholders for a period not exceeding three years from each such approval. The chairperson of the board of directors, or a relative of the chairperson, may not be vested with authorities of the Chief Executive Officer unless approved by a special majority of the company's shareholders for a period not exceeding three years from each such approval.

In addition, a person who is subordinated, directly or indirectly, to the chief executive officer may not serve as the chairperson of the board of directors, the chairperson of the board of directors may not be vested with authorities that are granted to persons who are subordinated to the chief executive officer, and the chairperson of the board of directors may not serve in any other position in the company or in a controlled subsidiary, but may serve as a director or chairperson of a controlled subsidiary.

Our Board of Directors recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The Board of Directors believes that, given the dynamic and competitive environment in which we operate, the optimal board leadership structure may vary as circumstances warrant.

At present, the Board of Directors has chosen to separate the two roles of Chief Executive Officer and Chairman of the Board of Directors, as our current leadership structure promotes balance between the authority of those who oversee our business and those who manage it on a day-to-day basis. Kasbian Nuriel Chirich serves as non-executive Chairman of the Board of Directors.

Nevertheless, the Board of Directors recognizes that it is important to retain the organizational flexibility to determine whether the roles of the Chairman of the Board of Directors and Chief Executive Officer should be separated or combined in one individual. The Board of Directors periodically evaluates whether the board leadership structure should be changed in light of specific circumstances applicable to us.

External directors

Under the Companies Law, companies incorporated under the laws of the State of Israel that are "public companies," including companies with shares listed on Nasdaq, are required to appoint at least two external directors. Pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including Nasdaq, which do not have a "controlling shareholder," may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we have elected to "opt out" from the Companies Law requirement to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of our board of directors.

Audit Committee

Companies Law requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee.

Listing requirements

Under the listing rules of the Nasdaq, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Our audit committee consists of Ilan Flato, Lior Lurye and Kasbian Nuriel Chirich. Ilan Flato serves as the chairperson of the audit committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the listing rules of the Nasdaq. Our board of directors has determined that each of Ilan Flato and Lior Lurye is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the listing rules of Nasdaq.

Our board of directors has determined that each member of our audit committee is "independent", as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

Audit committee role

Our board of directors has adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the Companies Law, the SEC rules, and the listing rules of the Nasdaq. These responsibilities include:

- retaining and terminating our independent auditors, subject to ratification by the board of directors, and in the case of retention, subject to ratification by the shareholders;
- pre-approving audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing the accounting and financial reporting processes of our company;
- managing audits of our financial statements
- preparing all reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication, filing, or submission to the SEC;

- recommending to the board of directors the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law, as well as approving the yearly or periodic work plan proposed by the internal auditor;

- reviewing with our general counsel and/or external counsel, as deemed necessary, legal and regulatory matters that may have a material impact on the financial statements;

- identifying irregularities in our business administration, inter alia, by consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the board of directors;

- reviewing policies and procedures with respect to transactions (other than transactions related to compensation or terms of services) between the Company and officers and directors, affiliates of officers or directors, or transactions that are not in the ordinary course of the Company's business and deciding whether to approve such acts and transactions if so required under the Companies Law;

- reviewing the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board; and

- establishing procedures for handling employee complaints relating to the management of our business and the protection to be provided to such employees.

Compensation Committee

Companies Law requirements

Under the Companies Law, the board of directors of a public company must appoint a compensation committee.

Listing requirements

Under the listing rules of the Nasdaq, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Nuriel Kasbian Chirich, and Ilan Flato. Nuriel Kasbian Chirich serves as chairperson of the compensation committee. Our board of directors has determined that each member of our compensation committee is independent under the listing rules of the Nasdaq, including the additional independence requirements applicable to the members of a compensation committee.

Compensation committee role

In accordance with the Companies Law, the responsibilities of the compensation committee are, among others, as follows:

- making recommendations to the board of directors with respect to the approval of the compensation policy for office holders and, once every three years, with respect to any extensions to a compensation policy that was adopted for a period of more than three years;

- reviewing the implementation of the compensation policy and periodically making recommendations to the board of directors with respect to any amendments or updates to the compensation policy;

- resolving whether to approve arrangements with respect to the terms of office and employment of office holders, which require the approval of the compensation committee pursuant to the Companies Law; and

- exempting, under certain circumstances, a transaction with our Chief Executive Officer from the approval of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with the listing rules of the Nasdaq and include among others:

- recommending to our board of directors for its approval a compensation policy, in accordance with the requirements of the Companies Law, as well as other compensation policies, incentive-based compensation plans, and equity-based compensation plans, overseeing the development and implementation of such policies, and recommending to our board of directors any amendments or modifications the committee deems appropriate, including as required under the Companies Law;

- reviewing and approving the granting of options and other incentive awards to our Chief Executive Officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, including evaluating their performance in light of such goals and objectives;

- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law; and

- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans, and the awards and agreements issued pursuant thereto, and making and determining the terms of awards to eligible persons under the plans.

Compensation policy under the Companies Law

In general, under the Companies Law, the board of directors of a public company must approve a compensation policy after receiving and considering the recommendations of the compensation committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (excluding abstentions) at a general meeting of shareholders, provided that either:

- the majority of such ordinary shares is comprised of shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy; or

- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation policy voting against the policy does not exceed two percent (2%) of the aggregate voting rights in the company.

Under special circumstances, the board of directors may approve the compensation policy despite the objection of the shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed grounds, and after discussing again the compensation policy, that approval of the compensation policy, despite the objection of shareholders, is for the benefit of the company.

The compensation policy must be based on certain considerations, include certain provisions and reference certain matters as set forth in the Companies Law. The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification, or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- The Officer's level of education, skills, expertise, seniority (in the Company, specifically, and in his profession, in general), professional experience, and achievements.
- The Officer's position, areas of responsibility, and terms of employment pursuant to former employment agreements signed with him;
- The Officer's contribution to the Company's business, the attainment of its strategic targets, and the realization of its work plans, profits, resilience, and stability.
- The extent of the Officer's responsibilities.
- The need of the Company to hire and retain an Officer with unique skills, knowledge, or expertise.
- The existence or absence of a substantive change in the Officer's position or function or the Company's demands on him;
- The Company's size and nature of its operations;
- Relation to tenure and employment terms which include retirement bonuses – the tenure or employment period of the Officer, the terms of his tenure and employment during said period, the Company's performance during said period, the Officer's contribution to attaining the Company's targets and generating its profits, and the circumstances of the retirement.
- The conditions of the market in which the Company operates at any relevant time, including the Officer's salary terms when compared to the salary terms of Officers with similar positions (or positions of a similar level) in companies with similar characteristics to the Company's operation.
- The level of difficulty in locating, recruiting, and retaining Officers and the need to offer an attractive compensation package in a global, competitive market; and (c) changes in the Company's operation market, operation scope, and complexity.

Our compensation policy is designed to retain and motivate our directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance, and provide a risk management tool. To that end, a portion of our executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. Our compensation policy also includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm the Company in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer, and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officers' individual characteristics (such as their respective position, education, scope of responsibilities, and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses, signing bonuses and other cash bonuses (such as a special bonuses with respect to any special achievements), equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers, other than our Chief Executive Officer, will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our Chief Executive Officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers, other than our Chief Executive Officer, may alternatively be based entirely on a discretionary evaluation. The performance objectives for the annual cash bonus of executive officers, other than our Chief Executive Officer, is required to be approved by the board of directors after recommendation of the compensation committee and the Chief Executive Officer.

The measurable performance objectives of our Chief Executive Officer will be determined annually by our compensation committee and board of directors. A non-material portion of the Chief Executive Officer's annual cash bonus, as provided in our compensation policy, may be based on a discretionary evaluation of the Chief Executive Officer's overall performance by the compensation committee and the board of directors.

Under our compensation policy, our executive officers' (including members of our board of directors) equity-based compensation is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term. Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and restricted share units, in accordance with our then-current equity incentive plan. All equity-based incentives granted to executive officers shall be subject to vesting periods in order to promote long-term retention of those executive officers. Our compensation policy sets the minimum exercise price of the options and the cap for the equity-based compensation. Equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role, and the personal responsibilities of the executive officer.

In addition, our compensation policy will allow us to exculpate, indemnify, and insure our executive officers and directors to the maximum extent permitted by Israeli law subject to certain limitations set forth therein.

Our compensation policy provides for compensation to the members of our board of directors either (i) in accordance with the amounts provided in the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time, or (ii) in accordance with the amounts determined in our compensation policy.

Our compensation policy includes our Policy for Recovery of Erroneously Awarded Compensation, in compliance with the requirements of the Nasdaq rules.

Our amended compensation policy, as approved by our shareholders in November 2023, is filed as exhibit to this Annual Report.

Nominating, Governance, Compliance and Sustainability Committee

Our nominating, governance, compliance and sustainability committee consists of Ilan Flato, and Lior Lurye. Lior Lurye serves as chairperson of the nominating, governance, compliance and sustainability. Our board of directors has adopted a nominating, governance, compliance and sustainability committee charter setting forth the responsibilities of the committee, which include:

- overseeing and assisting our board in reviewing and recommending nominees for election of directors;
- assessing the performance of the members of our board;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our business;.
- recommending to our board of directors the Company's overall environmental, social, and governance strategies, including, but not limited to environmental, health and safety, corporate social responsibility, sustainability, philanthropy, corporate governance, reputation, diversity, equity and inclusion, community issues, political contributions and lobbying, and other public policy matters relevant to the Company (collectively, "ESG Matters");
- overseeing the Company's policies, practices, and performance with respect to ESG Matters; and
- reporting to the board of directors of the Company about current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detailing actions taken in relation to the same

Internal Auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to review the company's compliance with applicable law and orderly business procedure. Under the Companies Law, the internal auditor cannot be an interested party, an office holder, or a relative of an interested party or an office holder. Nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) any person or entity who has the right to designate one or more directors or to designate the chief executive officer of the company, or (iii) any person who serves as a director or as chief executive officer of the company. Joseph Ginossar of Fahn Kanne, an affiliate of Grant Thornton International, serves as our internal auditor.

Approval of Related Party Transactions under Israeli Law

Fiduciary duties of directors and executive officers

The Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person's title, a director, and any other manager directly subordinate to the general manager. Each person listed in the table under "Our Management — Management and Board of Directors" is an office holder under the Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would act under the same circumstances. The duty of care includes, among other things, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the business advisability of a given action brought for the office holder's approval or performed by virtue of the office holder's position; and
- all other important information pertaining to such action.

The duty of loyalty requires an office holder to act in good faith and in the best interests of the Company, and includes, among other things, the duty to:

- refrain from any act involving a conflict of interest between the performance of the office holder's duties in the company and the office holder's other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;
- refrain from exploiting any business opportunity of the company for the purpose of gaining a personal advantage for the office holder or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of the office holder's position.

Under the Companies Law, a company may approve an act, specified above, which would otherwise constitute a breach of the office holder's duty of loyalty, provided that the office holder is acting in good faith, neither the act nor its approval harms the company, and the personal interest of the office holder is disclosed a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law setting forth, among other things, the appropriate bodies of the company required to provide such approval and the methods of obtaining such approval.

Disclosure of personal interests of an office holder and approval of certain transactions

The Companies Law requires that an office holder promptly disclose to the board of directors any personal interest and all related material information known to such office holder concerning any existing or proposed transaction with the company. A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of one's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director, or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to the officer holder's vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter.

If it is determined that an office holder has a personal interest in a non-extraordinary transaction (meaning any transaction that is in the ordinary course of business, on market terms and that is not likely to have a material impact on the company's profitability, assets or liabilities), approval by the board of directors is required for the transaction unless the company's articles of association provide for a different method of approval. Any such transaction that is adverse to the company's interests may not be approved by the board of directors.

Approval first by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction (meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities) in which an office holder has a personal interest.

A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the directors have a personal interest in the matter, then shareholder approval is also required.

Certain disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest, and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder for this purpose.

For a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see "Item 6. Directors, Senior Management and Employees—B. Compensation."

Shareholder duties

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- interested party transactions that require shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote, and any shareholder who under the articles of association has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

Exculpation, insurance and indemnification of office holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care, but only if a provision authorizing such exculpation is included in its articles of association. The Articles include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder from the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the above mentioned events and amount or criteria;

- reasonable litigation expenses, including legal fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction;

- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third-party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent;

- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law; and

- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder pursuant to certain provisions of the Israeli Economic Competition Law, 5758-1988.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

- a breach of the duty of care to the company or to a third-party, including a breach arising out of the negligent conduct of the office holder;

- a financial liability imposed on the office holder in favor of a third-party;

- a financial liability imposed on the office holder in favor of a third-party harmed by a breach in an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law; and

- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not exempt, indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except with respect to insurance coverage or indemnification, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;

- an act or omission committed with intent to derive illegal personal benefit; or

- a fine, monetary sanction, or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification, and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under regulations promulgated under the Companies Law, the insurance of office holders shall not require shareholder approval and may be approved by only the compensation committee if the engagement terms are determined in accordance with the company's compensation policy, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets, or obligations.

The Articles allow us to exculpate, indemnify, and insure our office holders to the maximum extent permitted by law. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into agreements with each of our directors and executive officers exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care, and undertaking to indemnify them to the fullest extent permitted by law. This indemnification is limited to events determined as foreseeable by the board of directors based on our activities and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances.

The maximum indemnification amount to be set forth in such agreements is limited to an amount equal to the higher of $100 million, 25% of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made and 10% of our total market capitalization calculated based on the average closing price of ordinary shares over the 30 trading days prior to the actual payment, multiplied by the total number of our issued and outstanding shares as of the date of the payment (other than indemnification for an offering of securities to the public, including by a shareholder in a secondary offering, in which case the maximum indemnification amount is limited to the gross proceeds raised by us and/or any selling shareholder in such public offering). The maximum amount set forth in such agreements is in addition to any amount paid (if paid) under insurance and/or by a third-party pursuant to an indemnification arrangement.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

There is no pending litigation or proceeding against any of HUB's office holders as to which indemnification is being sought, and, except as described in the section "Item 8. Financial Information— *Consolidated Statements and Other Financial Information - Legal and Arbitration Proceedings*", HUB is not aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

Approval of Private Placements under Israeli Law

Under the Companies Law, a private placement of securities requires approval by the board of directors and the shareholders of a company if it will cause a person to become a controlling shareholder or if:

- the securities issued amount to 20% or more of the company's outstanding voting rights before the issuance;
- some or all of the consideration is other than cash or listed securities or the transaction is not on market terms; and
- the transaction will increase the relative holdings of a shareholder that holds 5% or more of the company's outstanding share capital or voting rights or that will cause any person to become, as a result of the issuance, a holder of more than 5% of the company's outstanding share capital or voting rights.

D. Employees

As of December 31, 2023, we had employees or full-time employee equivalents across 3 offices in 2 countries, with employees or full-time employee.

Our total number of employees and full-time employee equivalents is, 223 and 321 as of December 31, 2023 and August 13, 2024, respectively worldwide, which includes the employees of all of HUB's wholly-owned subsidiaries. As of August 13, 2024, HUB had 37 employees. We apply the law with respect to all aspects of the employment of our employees including with respect to hiring and termination procedures, equal opportunity and anti-discrimination laws and other conditions of employment. In many cases, the terms of employment of our employees exceed the minimum required under Israeli labor laws including, but not limited to, with respect to the minimum wage, vacation days, retirement savings and sick days. As per the requirements of the law, we make payments to the National Insurance Institute.

None of our employees work under any collective bargaining agreements. Extension orders issued by the Israeli Ministry of Economy and Industry apply to us and affect matters such as length of working hours and week, recuperation pay, travel expenses and pension rights. We have never experienced labor related work stoppages or strikes and believe that our relations with our employees are satisfactory.

E. Share Ownership

For information regarding the share ownership of directors and officers, see. "*Major Shareholders*" in Item 7.A below. For information as to our equity incentive plans, see "*Compensation of Directors and Executive Officers —Share Option Plans.""* In Item 6.B above.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of August 13, 2024 by:

- each person known by us who is the beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our executive officers and directors individually; and
- all of our executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power," which includes the power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days of August 13, 2024. Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all ordinary shares (of the applicable type) beneficially owned by them.

Except as otherwise noted herein, the number and percentage of our ordinary shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any of our ordinary shares as to which the holder has sole or shared voting power or investment power and also any of our ordinary shares which the holder has the right to acquire within 60 days of through the exercise of any option, warrant or any other right. The column entitled "Percentage of Voting Power" reflects the overall voting power of a given shareholder based on the composition of his, her or its share ownership.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years is included under "Certain Relationships and Related Party Transactions."

For a description of the voting rights attached to our ordinary shares, please see "*Voting Rights*." Unless otherwise noted below, each shareholder's address is 2 Kaplan St., Tel Aviv, Israel 6473403.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	% of Outstanding Shares
Directors and Executive Officers of HUB:		
Noah Hershcoviz (1)	3,435,306	11.3%
Lior Davidsohn	–	–
Osher Partok Rheinisch (2)	155,621	*
Nachman Geva	–	–
Kasbian Nuriel Chirich (3)	32,599	*
Lior Lurye	–	–
Ilan Flato (4)	31,250	*
Uzi Moskovich (5)	133,177	*
Matthew Kearney (6)	62,444	*
All executive officers and directors as a group (9 individuals)	3,730,397	12.2%

* Less than one percent (1%) of our outstanding ordinary shares.

(1) Consists of (i) 60,000 restricted share units and (ii) 2,770,043 ordinary shares and warrants to purchase 605,263 Ordinary Shares held by The 12.64 Fund, of which Mr. Hershcoviz is Managing General Partner. Mr. Hershcoviz disclaims beneficial ownership of such ordinary shares except to the extent of his pecuniary interest therein. Does not include (i) 140,000 restricted share units, and (ii) 300,000 performance share units, each of which have been granted, but have not yet vested.
(2) Consists of 155,621 restricted share units. Does not include (i) 65,622 restricted share units and (ii) 50,000 performance share units, each of which have been granted, but have not vested.
(3) Consists of 31,250 restricted share units and 1,349 ordinary shares. Does not include 18,750 restricted share units, which have been granted, but have not yet vested and 5,000 ordinary shares that have not yet been issued pursuant to an agreement that Kasbian Nuriel Chirich entered into with the Company in January 2023.
(4) Consists of 31,250 restricted share units. Does not include 18,750 restricted share units, which have been granted, but have not yet vested.
(5) Consists of 13,177 ordinary shares subject to options exercisable within 60 days of August 13, 2024 and 120,000 restricted share units. Does not include 80,000 restricted share units, which have been granted, but have not vested.
(6) Consists of 31,250 restricted share units and 31,194 ordinary shares. Does not include 18,750 restricted share units, which have been granted, but have not vested.

Significant Changes in Ownership

To our knowledge, other than as disclosed in the table above, our other filings with the SEC and this Annual Report, there has been no significant change in the percentage ownership held by any major shareholder during the past three years.

Voting Rights

Other than the voting undertakings under the Shareholder and Sponsor Support Agreement, described below under "Related Party Transactions—Rights of Appointment," which have been fully performed already and have therefore expired, no major shareholders listed above had or have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares.

Change in Control Arrangements

We are not aware of any arrangement that may at a subsequent date, result in a change of control of the Company.

Registered Holders

Based on a review of the information provided to us by our transfer agent, as of August 13, 2024, there were 30 registered holders of our ordinary shares, (one of which, Cede & Co., is a United States registered holder, holding approximately 27,791,433 shares (which represents 91.2% of our outstanding ordinary shares). The number of record holders in the United States is not representative of the number of beneficial holders nor is it representative of where such beneficial holders are resident since many of these ordinary shares were held by brokers or other nominees.

B. Related Party Transactions

The following is a description of related-party transactions we have entered into since January 1, 2023 with any of the members of the board of directors, executive officers or holders of more than 5% of any class of our voting securities at the time of such transaction.

Rights of appointment

Our board of directors currently consists of six directors. Pursuant to our articles of association as in effect immediately prior to the Business Combination, certain of our shareholders, including related parties, had rights to appoint directors and observers to its board of directors. All rights to appoint directors and observers terminated upon the closing of the Business Combination.

Agreements with officers

Employment Agreements. We have entered into employment or consulting agreements with each of our executive officers, and the terms of each individual's employment or service, as applicable, have been approved by our board of directors. These agreements provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive base salary and benefits. These agreements also contain customary provisions regarding noncompetition, confidentiality of information and assignment of inventions. However, the enforceability of the noncompetition provisions may be limited under applicable law. Transactions with related parties also include employment agreements with relatives of certain directors or officers, each duly approved by the Board of Directors or its Audit Committee.

Options and restricted share units. Since our founding, we have granted options to purchase ordinary shares to our executive officers and directors. Additionally, since August 2021, we have granted restricted share units to our executive officers and directors.

Exculpation, indemnification, and insurance. The Articles permit us to exculpate, indemnify and insure certain of its officeholders (as such term is defined under the Companies Law) to the fullest extent permitted by the Companies Law. We have entered into agreements with certain officeholders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions, including with respect to liabilities resulting from the closing of the Business Combination to the extent that these liabilities are not covered by insurance.

Agreements with Blackswan and A-Labs. We have entered into agreements with certain third parties with whom Noah Hershcoviz, our Chief Executive Officer and director, is an affiliate. Specifically, we entered into a Loan and Security Agreement with Blackswan Technologies, Inc., a company in which Mr. Hershcoviz serves as a director, with an effective date of December 4, 2023. In addition, Mr. Hershcoviz serves as Managing General Partner of The 12.64 Fund, which is a significant shareholder of Blackswan. In November 2023, HUB began to collaborate with Blackswan with the goal to become a significant player in the regulation tech and data fabric industry. See Item 5B. "Liquidity and Capital Resources—Financings" and Item 4A. "History and Development of the Company—Recent Developments."

Additionally, on January 16, 2023, we entered into a loan agreement with A-Labs Finance and Advisory Ltd. ("A-Labs"), a company in which Mr. Hershcoviz serves as Managing Partner, Head of Investing Banking, as further described in Item 5B. "Liquidity and Capital Resources—Financings." In addition, we paid A-Labs the sum of $4.2 million between July 2021 and March 2023 as consulting fees under a financial advisory services agreement entered into July 2021 (the "A-Labs Agreement") and we issued to A-Labs warrants to purchase the 4,076,923 of our ordinary shares. Additionally, in March 2023, a total of $2.2 million that was owed to A-Labs pursuant to the A-Labs Agreement was converted into our ordinary shares at a conversion price of $10 per ordinary share. This conversion of amounts we owed to A-Labs under the A-Labs Agreement, was effected to partially satisfy the commitment that A-Labs made to us to purchase $20 million of our ordinary shares in the PIPE Financing. In December 2022, we amended the A-Labs Agreement to provide that for each financing transaction closed, in addition to paying a commission to A-Labs in cash, we would be required to issue warrants to purchase ordinary shares in an amount equal to the cash consideration that would otherwise be payable under the financial advisory services agreement divided by 4.81, which warrants shall be exercisable for 4 years and at an exercise price of NIS 4.81 (regardless of the price per share paid by investors in the relevant financing transaction). Additionally, we committed to provide compensation under the A-Labs Agreement for all investors with whom we would enter into a financing transaction prior to our shares being listed for trading on the Nasdaq regardless of whether such investors were introduced to the Company by A-Labs. In each of September 2022 and January 2023, we paid to A-Labs an additional commission of $50,000 in exchange for extra services provided by A-Labs over the course of certain fund raising efforts and loan issuances. Additionally, as part of the Shayna Loans, we paid to A-Labs commissions totaling $140,000 for services provided as part of the fund raising efforts. The term of the A-Labs Agreement was for 12 months following the execution in July 2021, provided that the A-Labs Agreement will automatically renew for additional 12 month terms unless either party provides written notice to the other party of its intention not to renew at least 30 days prior to the end of such initial 12 month term or any renewed terms. Additionally, the A-Labs Agreement may be terminated by either party upon a minimum of 30 days prior written notice. In August 2023, we received from A-Labs a waiver of the retainer fees for the services. Nevertheless as of the date of this Annual Report, there remains unpaid fees of $3,298,000 under the A-Labs Agreement.

Private Placement with Chairman. In January 2023, we entered into an agreement with Kasbian Nuriel Chirich, prior to when he became the Chairman of our Board of Directors in February 2023, for the purchase and sale of 5,000 ordinary shares in consideration for $100,000. As of the date of this Annual Report, we have not issued such 5,000 ordinary shares.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See Item 18. "*Financial Statements*."

Legal and Arbitration Proceedings

From time to time, we are and may be subject to various legal proceedings, contingencies and claims that arise in the course of business, including some claims from current or former employees and directors, as well as governmental and other regulatory investigations and proceedings.

There is no pending litigation or proceeding against any of HUB's office holders as to which indemnification is currently being sought, and, except as described below, HUB is not aware of any pending or threatened litigation, the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition or may result in claims for indemnification by any office holder. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

The below is a brief summary of the litigation and other proceedings we are currently facing:

1. Insurance reimbursement claim–- During May 2018, a company named Rotem filed to the District Court in Tel Aviv an Insurance reimbursement claim against approximately 16 defendants, with HUB Security being among them, with respect to damages caused by a fire in the plaintiff's factory. The Company believes that its liability with regards to this claim seems remote and possesses insurance coverage to cover any liabilities that may arise from this case.

2. Contract Tender Litigation – On March 29, 2022, two plaintiffs petitioned the District Court in Tel Aviv for certification of a class of plaintiffs in a class action suit against the Company and seven individuals serving as its officers and directors as of such date. The request for certification is based on a delay in HUB's making a public announcement of the cancellation of a contract tender whose award to HUB had been previously announced. The canceled contract represented revenue to HUB of NIS 800,000 (approximately $250,000) per year, and HUB's previous announcement stated that the contract tender would have a material effect on its 2022 financial results. HUB was notified of the cancellation of the award of the tender on the afternoon of Wednesday, March 23, 2022, which was the same day that HUB announced its execution of the Business Combination Agreement. HUB reported the cancellation of the award on Sunday, March 27, 2022. The applicable rules of the Tel Aviv Stock Exchange (TASE) and the Israel Securities Authority, require announcements of this kind to be made not later than the trading day following a company's receipt of the relevant information. Friday is not a trading day on the TASE, so HUB's report can be said to have been made one day late. The price of HUB's ordinary shares on the TASE fell by approximately 35% on March 27, 2022.

   The plaintiff's request to the court cites total damages at NIS 229 million (approximately $70 million). On October 20, 2022, the amount claimed was reduced from NIS 229.44 million to NIS 5.44 million (approximately $1.48 million).

   On January 30, 2023, the amount requested was increased to NIS 64 million. On February 2, 2023, a partial judgment was issued in which the motion to withdraw against the directors was approved, leaving the motion pending against the Company and its former Chief Executive Officer only. The answer to the amended approval request was submitted by September 3, 2023, and the response by the plaintiffs was submitted on October 22, 2023.

   Though the Company believes that the request for certification on this claim will be denied by the court, and that it has strong defenses to any class action that may ultimately be allowed to proceed, there can be no assurance that a court will not find the Company liable for significantly greater amounts. At this stage of the proceedings, it is not possible to assess the chances of the application being accepted or rejected in part or in full. A court's finding of significant liability against us could negatively affect our share price and have a material effect on our business and financial condition. The hearings were conducted on May 22-23, 2024, and at the court's suggestions a mediator was appointed on June 16, 2024 in order to attempt to reach a settlement between the parties. Two mediation meetings were conducted separately with each party on July 7, 2024 and on July 9, 2024. On August 7, 2024 the appointed mediator announced that the mediation attempt did not yield a settlement.

3. Request for disclosure of documents according to Section 198A of the Companies Law –- On February 8, 2023, Mr. Yuval Lev (the "Petitioner") filed a motion for discovery under Section 198A of the Companies Law (the "Discovery Motion") against the Company in the District Court in Tel Aviv in connection with a claim concerning the Company's release of the Clover Wolf Fund from its obligation to participate in the PIPE Financing. On April 4, 2023, the Petitioner filed an amended motion for discovery (the "Amended Discovery Motion") in which it demanded the disclosure of an exhaustive list of documents relating to the PIPE Financing, asserting that the Company's alleged actions demonstrate a violation of the duties of care and trust imposed on the officers and the directors of the Company by the Companies Law, 1999, as well as an alleged basis for pursuing legal action against additional third parties. On April 10, 2024, the Company filed a response to the Amended Discovery Motion in which it requested that the confidentiality of certain items of its response be maintained. The court subsequently determined that temporary confidentiality would be maintained and ordered the Petitioner to respond to the Company's response by September 8, 2024. The preliminary hearing is set for November 7, 2024. At this preliminary stage, it is not possible to assess the chances of the Amended Discovery Motion being granted.

4. A similar motion to for disclosure of documents according to Section 198A of the Companies Law was filed on July 7, 2024, by Mr. Uri Dahan (the "Petitioner") under Section 198A of the Companies Law (the "Discovery Motion") against the Company in the District Court in Tel Aviv in connection with a claim concerning the Company's release of the Clover Wolf Fund from its obligation to participate in the PIPE Financing. On July 8, 2024 the Court ruled that due to the similarities to the Lev motion detailed above, the Petitioner will discuss its position with the petitioner in the Lev Discovery Motion and report back to the Court. On July 28, 2024, the Court ruled that the Petitioner should provide to the court further details regarding its attempt to receive information from Lev, and stated that it is likely that the court would instruct both petitioners to share the details of their motions with each other.

5. PIPE Financing Litigation – On March 6, 2023, Mr. Maj'haj Avner (the "Applicant") filed a class action certification motion (the "Motion to Certify") against the Company and eight additional respondents in the District Court in Tel Aviv, alleging that the Company's public announcement that it received irrevocable investment commitments as part of the PIPE Financing was false. The Applicant seeks to represent anyone who purchased the Company's ordinary shares after the announcement of the Business Combination in March 2022 until the end of February 23, 2023, which was the last trading day of the Company's ordinary shares on the TASE. The Applicant claims personal damages in the amount of NIS 50,752, while the claim for the alleged damage for the members of the affected group was valued at a total of more than NIS 2.5 million. The Motion to Certify also asserts that the Company's alleged actions demonstrate a violation of the duties of care and trust imposed on the officers and the directors of the Company by the Companies Law, a violation of disclosure obligations under the Israeli Securities Law, and a violation of other statutory duties. On January 30, 2024, eight respondents filed a motion to dismiss outright the Motion to Certify (the "Motion to Dismiss") as well as a Motion to extend the deadline for filing the Company's response to the Motion to Certify. The court ultimately rejected the Motion to Dismiss at a hearing on March 24, 2024. On June 2, 2024, eight respondents filed their response to the Motion to Certify in which they requested that the confidentiality of certain items of its response be maintained which request was subsequently granted by the court. On July 2, 2024, the Applicant responded to the response filed by the eight respondents and on July 9, 2024, sent the eight respondents a demand for disclosure of documents (the "Disclosure Request"). At a hearing held on July 10, 2024, the court recommended that three respondents be removed from the Motion to Certify and the Applicant waive all cause of action that do not relate to the Securities Law which recommendations the Applicant subsequently adopted. At the same hearing, the court ordered five of the respondents to respond to the Disclosure Request by August 11, 2024 and that if the Applicant does not receive a satisfactory response to the Disclosure Request by such date, the Applicant should submit to the court a motion for discovery of documents by September 1, 2024, to which the respondents would be required to respond by September 30, 2024. The Company was also instructed to inform the court by September 23, 2024, if it still stands by its motion regarding confidentiality. A preliminary hearing was set for November 4, 2024.

6. Oppenheimer Suit - On June 12, 2023, Oppenheimer & Co., Inc. ("Oppenheimer") filed a claim against the Company in the United States District Court for the Southern District of New York alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company's business combination with Mount Rainier Acquisition Corp. The complaint alleges that the Company owes Oppenheimer in excess of $12 million (as well as its costs and legal fees associated with the claim) with regards to the business combination, pursuant to a financial advisory agreement entered into by and between Oppenheimer and the Company in December 2021. The Company is in discussions with Oppenheimer regarding settlement of this case.

7. *Dominion Capital Suit* - In December 2023, Dominion Capital LLC, a sponsor of the SPAC, Mount Rainier Acquisition Corp., sued the Company in a New York State Court alleging that the Company failed to repay $2.5 million that the sponsor allegedly disbursed to the Company pursuant to a promissory note. The sponsor asserts that it is entitled to damages in the amount of the loan principal plus interest and attorneys' fees. The Company is defending itself vigorously. In the same action, the Company countersued the sponsor alleging various misconduct aimed at harming the Company. The sponsor moved to dismiss the Company's counterclaim on the grounds that the Company has failed to state a claim against it. The Court granted the sponsor's motion to dismiss. The Company is evaluating the Court's decision and potential grounds for appeal.

8. *Dominion Insolvency Petition* – On April 10, 2024, Dominion Capital LLC, based upon the lawsuit filed in New York, submitted to the Tel Aviv District Court a petition to declare the Company insolvent. A response by the Company objecting to the petition was filed by the Company on May 26, 2024 and a response to the response was filed by Dominion on June 13, 2024. The preliminary hearing is set for October 7, 2024.

9. All Ways Gateport Ltd - On November 6, 2023, All Ways Gateport Ltd. submitted to the Tel Aviv District Court a petition to declare the Comsec Disribution Ltd. (a subsidiary of the Company) insolvent due to an paid debt of USD 71,615. No response has yet been filed and a hearing is scheduled for September 29, 2024.

10. Class Action Suit –

HUB Cyber Security Ltd. 1:23-cv-05764 (S.D.N.Y.): This case consolidates into one securities class action the complaints filed in the cases styled Efrat Investments LLC et al. v. Hub Cyber Security Ltd., and Green v. Hub Cyber Security Ltd. f/k/a Hub Cyber Security (Israel) Ltd., et al. This action names the Company and current and former officers and directors of the Company (including Eyal Moshe, Hugo Goldman, Uzi Moscovich, Zeev Zell, Moshe Raines, Manish Agarwal, and Moti Franko, "Individual Defendants") as defendants (collectively, "Class Action Defendants"). Certain shareholders—individuals and entities that purchased or otherwise acquired Company securities pursuant to and/or traceable to the offering materials issued in connection with the Transaction—have alleged that the Class Action Defendants made material misstatements and omissions in the offering materials issued in connection with the Transaction. The shareholders have alleged that the offering materials incorrectly stated that Hub Cyber Security (Israel) Ltd. had secured a committed financing arrangement, contained material misstatements and omissions concerning the Company's internal controls and misuse of Company funds, and contained materially misleading information concerning the Company's product. The shareholders seek damages from the Class Action Defendants and/or tender their shares to Class Action Defendants for recovery of the consideration paid therefor. The Company is defending itself vigorously, and has moved to dismiss the action on the grounds that the shareholders lack standing to sue and have failed to state a claim against the Company.

11. Employee Claims - Two of the Company's former US employees filed claims in the cumulative amount of approximately $350,000 in the aggregate related to lost wages, amounts due pursuant to employment agreements and unlawful termination. The claims have since been settled.

Additionally, a few former Israeli employees filed a claim in the Tel Aviv Labor Court:

(a) A former employee filed a claim against Comsec Ltd. (a subsidiary of the Company) in the amount of NIS 846,716 alleging unlawful termination and entitlement to various employment rights, including, but not limited to, unlawful termination compensation, severance pay, advanced notice compensation, and bonuses according to the employment agreement. On December 26, 2023, Comsec submitted its statement of defense, denied, and rejected the plaintiff's claims and demands. A preliminary hearing occurred on March 13, 2024. The plaintiff filed an affidavit with the court on May 27, 2024 and Comsec is required to submit an affidavit by September 15, 2024.

(b) An additional former Israeli employee filed a claim in the Tel Aviv Labor Court against the Company in the amount of NIS 271,593. The plaintiff alleges that this amount is owed to him due to violation of the employment agreement signed with him. The plaintiff claims a signing bonus that he claims was not paid to him, an unconditional quarterly bonus including social benefits for him, and the registration of 20,000 RSUs in his name, compensation for bad faith and misrepresentation. A preliminary hearing is set for February 2, 2025. The deadline for filing a statement of defense has been postponed to September 15, 2024.

(c) An additional former employee filed a claim on July 23, 2024 with regards to alleged missing pension and social benefits payments, in the aggregated amount of NIS 17,443. A statement of defense is scheduled to be filed by the Company by October 6, 2024, and a settlement in the claim is expected to be reached by that date.

Following the finding of the Special Committee, the Company has also filed a claim against two former employees:

(a) On June 1, 2023, the Company filed a claim against its former Chief of Staff and VP HR and wife of the Company's former CEO, in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On January 2024 a preliminary hearing was held during which, the parties agreed that a consent judgment would be given stating that the amounts accumulated in the former employee's name in the provident funds will not be released to either of the parties or to any third party until a final judgment is rendered in the Company's claim against the former employee. A judgment was issued in accordance with the parties' agreements as stated. On February 26, 2024, the Company filed a new claim against the former employee for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On June 26, 2024, the former employee filed her statement of defense. On July 21, 2024, the former employee filed a counterclaim in the amount of NIS 1,268,481. The former employee alleges that this amount is owed to her due to an unlawful termination process carried out against her, which was accompanied by rude behavior, disrespect, and humiliation. In all, the former employee demands the following payments and compensation from the Company: (i) release of severance pay funds accumulated in her favor, (ii) completion of severance pay in the amount of NIS 30,008, (iii) compensation for delayed severance pay, (iv) six months' advance notice pay amounting to NIS 460,590, (v) compensation for gender discrimination and damage to reputation and good name in the amount of six salaries amounting to NIS 460,590, (vi) compensation for dismissal in bad faith, arbitrarily and without a hearing, and workplace bullying in the amount of NIS 230,295, (vii) an annual bonus of NIS 76,765, and (viii) reimbursement of expenses for a business trip abroad on behalf of Hub amounting to at least NIS 10,233. The deadline for filing a statement of defense is September 30, 2024.

(b) On November 11, 2023, the Company filed a claim against its former CEO in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On February 18, 2024, the former employee filed his statement of defense. On June 4, 2024, the Company submitted a request to the court to consolidate the Company's claim against its former CEO and claim against his wife, the Company's former Chief of Staff and VP HR described above. Both former employees submitted their response to such request and on June 26, 2024, the court decided that both claims will be handled by a panel of the court but it did not yet decide whether to consolidate the claims. On August 4, 2024, Hub submitted a request to complete the discovery and inspection proceedings by October 15, 2024.

Dividend Policy

HUB does not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant.

The Companies Law imposes restrictions on our ability to declare and pay dividends. See "*Dividend and Liquidation Rights*" in Exhibit 2.1 to this Annual Report for additional information. See also "*Item 3.D. Risk Factors—Risks Related to Our Ordinary Shares— We do not intend to pay dividends for the foreseeable future. Accordingly, you may not receive any return on investment unless you sell your ordinary shares for a price greater than the price you paid for such shares.*

Payment of dividends may be subject to Israeli withholding taxes. See "*Israeli Tax Considerations*" for additional information.

B. Significant Changes

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ordinary shares and warrants commenced trading on Nasdaq on March 1, 2023 under the symbol "HUBC," "HUBCW" and "HUBCZ," respectively. Prior to this, no public market in the United States existed for our ordinary shares or warrants.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares commenced trading on Nasdaq on March 1, 2023.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Copies of our amended and restated articles of association and memorandum of association are attached as Exhibits 1.1 and Exhibit 1.2, respectively, to this Annual Report. The information called for by this Item is set forth in Exhibit 2.1 to this Annual Report and incorporated by reference herein.

C. Material Contracts

Except as disclosed below or otherwise disclosed in this Annual Report in Item 4.A "History and Development of the Company," Item 4.B "Business Overview," Item 5.B "Operating and Financial Review and Prospects—Liquidity and Capital Resources," Item 6.C "Board Practices," Item 7.B "Related Party Transactions" and Item 19 "Exhibits," we are not currently, nor have we been for the two years immediately preceding the date of this Annual Report, party to any material contract, other than contracts entered into in the ordinary course of business.

Qpoint Acquisition

On April 3, 2024 the Company acquired for NIS 25,000,000 in cash the shares of Qpoint that it did not yet own at that time, constituting 53.5% of Qpoint's outstanding shares. Payments were agreed to be carried out in three installments as follows: (i) NIS 4,000,000 on the signing date; (ii) NIS 16,000,000 on the closing date (which was April 8, 2024); and (iii) additional NIS 5,000,000 no later than February 10, 2025 (of which NIS 2,500,00 was already paid as of June 5, 2024).

Business Combination Agreement

On February 28, 2023 (the "Closing Date"), we consummated the previously announced Business Combination pursuant to the Business Combination Agreement (the "Business Combination Agreement"), dated March 23, 2022, as amended on June 19, 2022, by and among us, RNER and Rover Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub").

In connection with the closing of the Business Combination, the following transactions occurred pursuant to the terms of the Business Combination Agreement:

- The Articles came into effect.
- We effected a stock split of each of our ordinary shares into such number of ordinary shares, calculated in accordance with the terms of the Business Combination Agreement, such that each of our ordinary shares was given the value of $10.00 per share after giving effect to such stock split (the "Stock Split"), which resulted in reverse split ratio of 0.712434;
- Merger Sub merged with and into RNER (the "Merger"), with RNER surviving the Merger as our wholly-owned subsidiary;

- As a result of the Merger and the other transactions contemplated by the Business Combination Agreement, RNER became a wholly owned subsidiary of the Company, with the shareholders of RNER becoming shareholders of the Company;

- In connection with the special meeting of stockholders held by RNER on January 4, 2023 (the "RNER Special Meeting"), the holders of 2,580,435 shares of common stock of RNER (the "RNER Common Stock" and each share of RNER Common Stock, a "RNER Share") properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.28 per share, for an aggregate redemption amount of approximately $26,526,872. These share redemptions were in addition to the 14,535,798 RNER Shares that were tendered for redemption in connection with the special meeting of RNER's stockholders held on December 21, 2022 approving the extension of RNER's expiration date to March 1, 2023;

- At the effective time of the Business Combination (the "Effective Time"), each unit of RNER (a "RNER Unit") issued and outstanding immediately prior to the Effective Time automatically detached and the holder of each such RNER Unit became deemed to hold one RNER Share and one warrant of RNER entitling the holder to purchase three-fourths of one RNER Share per warrant at a price of $11.50 per whole share (exercisable only for whole shares) (each, a "RNER Warrant"); and

- Each RNER Share issued and outstanding immediately prior to the Effective Time automatically converted into the right to receive 0.899 Company Ordinary Shares, and each RNER Warrant issued and outstanding immediately prior to the Effective Time converted into the right to receive 0.899 warrants of the Company (a "New Warrant") subject to downward adjustment to the next whole number in case of fractions of warrants. A total of 16,043,862 New Warrants to purchase three-fourths of one HUB ordinary share were issued to holders of the RNER warrants. As a result of this conversion the New Warrants' exercise price increased to $12.79 per whole share.

Our ordinary shares and existing warrants began trading on the Nasdaq Global Market on March 1, 2023 under the symbols "HUBC" and "HUBCZ", respectively. The New Warrants began trading on the Nasdaq Capital Market on March 1, 2023 under the symbol "HUBCW."

PIPE Subscription Agreements

On March 23, 2022, concurrently with the execution of the Business Combination Agreement, we entered into the Subscription Agreements with certain investors (the "PIPE Investors"), pursuant to which the PIPE Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such PIPE Investors, an aggregate of 50,000,000 ordinary shares at $10.00 per share for gross proceeds of approximately $50 million (the "PIPE Financing") on the Closing Date. The PIPE Financing did not consummate at closing of the Business Combination as the PIPE Investors failed to remit payment for the shares to be purchased (figures in this paragraph are pre 1:10 reverse split).

In March 2023, we received approximately $4 million of the $50 million in proceeds from the PIPE Financing and issued approximately 400,000 shares in respect thereof. While we are considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain that we will be able to receive the remaining PIPE funds.

D. Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

E. Taxation

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our ordinary shares and warrants. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Israeli tax considerations and government programs

The following is a brief summary of the material Israeli tax laws applicable to us, and certain Israeli Government programs that benefit us. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel, traders in securities, not for profit organizations, pension funds and other exempt institutional investors, partnerships and other transparent entities, individuals under the tax regime for "new immigrants" or "returning residents" and other taxpayers who are subject to special tax regimes not covered in this discussion. To the extent that the discussion is based on new tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below.

General corporate tax structure in Israel

Israeli companies are generally subject to corporate tax. Since 2018, the corporate tax rate has been 23%. However, the effective tax rate payable by a company that derives income from a Preferred Enterprise, a Special Preferred Enterprise, a Preferred Technology Enterprise or a Special Preferred Technology Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to the prevailing regular corporate tax rate.

Law for the Encouragement of Industry (Taxes), 5729-1969

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the "Industry Encouragement Law", provides several tax benefits for "Industrial Companies." We believe that we currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law.

The Industry Encouragement Law defines an "Industrial Company" as an Israeli resident-company, incorporated in Israel, of which 90% or more of its income in any tax year, other than income from certain government loans, is derived from an "Industrial Enterprise" owned by it and located in Israel or in the "Area", in accordance with the definition under section 3A of the Israeli Income Tax Ordinance (New Version) 1961 (the "Ordinance"). An "Industrial Enterprise" is defined as an enterprise which is held by an Industrial Company whose principal activity in a given tax year is industrial production.

Following are the main tax benefits available to Industrial Companies:

- Amortization of the cost of purchased patent, rights to use a patent, and know-how that were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, over an eight-year period, commencing on the year in which such rights were first exercised;
- Under limited conditions, an election to file consolidated tax returns with controlled Israeli Industrial Companies;
- Expenses related to a public offering are deductible in equal amounts over three years commencing on the year of the offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority.

Tax benefits and grants for research and development

Israeli tax law allows, under certain conditions, a tax deduction for expenditures, including capital expenditures, for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects, if:

- The expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- The research and development must be for the promotion of the company; and
- The research and development is carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. No deduction under these research and development deduction rules is allowed if such deduction is related to an expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures that are unqualified under the conditions above are deductible in equal amounts over three years.

From time to time we may apply to the Israel Innovation Authority for approval to allow a tax deduction for all or most of research and development expenses during the year incurred. There can be no assurance that such application will be accepted. If we will not be able to deduct research and development expenses during the year of the payment, we will be able to deduct research and development expenses during a period of three years commencing in the year of the payment of such expenses.

Law for the Encouragement of Capital Investments 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the "Investment Law", provides certain incentives for capital investments in production facilities (or other eligible assets).

The Investment Law was significantly amended effective as of April 1, 2005 (the "2005 Amendment"), as of January 1, 2011 (the "2011 Amendment") and as of January 1, 2017 (the "2017 Amendment"). Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the amended Investment Law. Similarly, the 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduces new benefits for Technological Enterprises, alongside the existing tax benefits.

Tax benefits under the 2011 amendment

The 2011 Amendment canceled the availability of the benefits granted to Industrial Companies under the Investment Law prior to 2011 and, instead, introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company is entitled to a reduced corporate tax rate of 15% with respect to its income derived by its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 10%. Under the 2011 Amendment, such corporate tax rate was reduced from 15% and 10%, respectively, to 12.5% and 7%, respectively, in 2013, and was increased to 16% and 9% respectively. Pursuant to the 2017 Amendment, in 2017 and thereafter, the corporate tax rate for a Preferred Enterprise remained 16%, while the reduced rate for a specified development zone was decreased to 7.5%. Income derived by a Preferred Company from a "Special Preferred Enterprise" (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of 8%, or 5% if the Special Preferred Enterprise is located in a specified development zone. Since January 1, 2017, the definition for "Special Preferred Enterprise" includes less stringent conditions.

Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to withholding tax at source at the following rates: (i) Israeli resident corporations-0%, (although, if such dividends are subsequently distributed to individuals or a non-Israeli company the below rates detailed in sub sections (ii) and (iii) shall apply) (ii) Israeli resident individuals-20% (iii) non-Israeli residents (individuals and corporations)- 25% or 30%, and subject to the receipt in advance of a valid certificate from the Israel Tax Authority ("ITA") allowing for a reduced tax rate—20%, or a reduced tax rate under the provisions of any applicable double tax treaty.

We currently do not intend to implement the 2011 Amendment.

New tax benefits under the 2017 amendment that became effective on January 1, 2017

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a "Preferred Technology Enterprise" and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as "Preferred Technology Income", as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technology Enterprise located in development zone "A". In addition, a Preferred Technology Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefitted Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company after January 1, 2017 for at least NIS 200 million, and the sale receives prior approval from the Israel Innovation Authority. The 2017 Amendment further provides that a technology company satisfying certain conditions (group consolidated revenues of at least NIS 10 billion) will qualify as a "Special Preferred Technology Enterprise" and will thereby enjoy a reduced corporate tax rate of 6% on "Preferred Technology Income" regardless of the company's geographic location within Israel. In addition, a Special Preferred Technology Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain "Benefitted Intangible Assets" to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Enterprise or acquired from a foreign company after January 1, 2017, and the sale received prior approval from the Israel Innovation Authority. A Special Preferred Technology Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed to Israeli shareholders by a Preferred Technology Enterprise or a Special Preferred Technology Enterprise, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders—subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate, 20% or such lower rate as may be provided in an applicable tax treaty). However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, the aforesaid will apply). If such dividends are distributed to a foreign company that holds solely or together with other foreign companies 90% or more in the Israeli company and other conditions are met, the withholding tax rate will be 4%, or such lower rate as may be provided in an applicable tax treaty.

We believe that we may be eligible to the tax benefits under the 2017 Amendment. It should be noted that the proportion of income that may be considered Preferred Technology Income and enjoy the tax benefits described above, should be calculated according to the Nexus Formula, which is based on the proportion as that of qualifying research and development expenditures in the IP compared to overall research and development expenditures.

Taxation of our shareholders

Capital gains taxes applicable to non-Israeli resident shareholders

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel, should be exempt from Israeli tax unless, among others, the shares were held through a permanent establishment that the non-resident maintains in Israel. If not exempt, a non-Israeli resident shareholder would generally be subject to tax on capital gain at the ordinary corporate tax rate (23% in 2023), if generated by a company, or at the rate of 25%, if generated by an individual, or 30%, if generated by an individual who is a "substantial shareholder" (as defined under the Ordinance), at the time of sale or at any time during the preceding 12-month period (or if the shareholder claims a deduction for interest and linkage differences expenses in connection with the purchase and holding of such shares). A "substantial shareholder" is generally a person who alone or together with such person's relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the "means of control" of the corporation. "Means of control" generally include, among others, the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Individual and corporate shareholders dealing in securities in Israel are taxed at the tax rates applicable to business income (a corporate tax rate for a corporation (23% in 2023) and a marginal tax rate of up to 47% for an individual in 2023), unless contrary provisions in a relevant tax treaty apply. Non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest more than 25% in such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. In addition, such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under Convention Between the Government of the United States of America and the Government of the State of Israel with Respect to Taxes on Income, as amended (the "United States-Israel Tax Treaty"), the sale, exchange or other disposition of shares by a shareholder who is a United States resident (for purposes of the treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the United States Israel Tax Treaty (a "Treaty U.S. Resident") is generally exempt from Israeli capital gains tax unless: (i) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; (ii) the capital gain arising from such sale, exchange or disposition is attributed to royalties; (iii) the capital gain arising from the such sale, exchange or disposition is attributed to a permanent establishment in Israel, under certain terms; (iv) such Treaty U.S. Resident holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12 month period preceding the disposition, subject to certain conditions; or (v) such Treaty U.S. Resident is an individual and was present in Israel for 183 days or more during the relevant taxable year. In each case, the sale, exchange or disposition of our ordinary shares would be subject to Israeli tax, to the extent applicable; however, under the United States-Israel Tax Treaty, the taxpayer may be permitted to claim a credit for such taxes against the U.S. federal income tax imposed with respect to such sale, exchange or disposition, subject to the limitations under U.S. law applicable to foreign tax credits. The United States-Israel Tax Treaty does not provide such credit against any U.S. state or local taxes.

In some instances where our shareholders may be liable for Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to the withholding of Israeli tax at source. Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale (i.e., resident certificate or other documentation). Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the ITA may require from shareholders who are not liable for Israeli tax to sign declarations in forms specified by this authority or obtain a specific exemption from the ITA to confirm their status as non-Israeli tax residents, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

Taxation of non-Israeli shareholders on receipt of dividends

Non-Israeli residents (either individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25%, which tax will be withheld at source, unless a lower tax rate is provided in an applicable treaty between Israel and the shareholder's country of residence (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate). With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or on any time during the preceding twelve months, the applicable tax rate is 30%. Such dividends are generally subject to Israeli withholding tax at a rate of 25% so long as the shares are registered with a nominee company (as such term is used in the Israeli Securities Law), whether the recipient is a substantial shareholder or not, and, subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate, 20% if the dividend is distributed from income attributed to a Preferred Enterprise or Preferred Technology Enterprise or such lower rate as may be provided in an applicable tax treaty. For example, under the United States Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a Treaty U.S. Resident is 25%. However, generally, the maximum rate of withholding tax on dividends, not generated by a Preferred Enterprise or a Preferred Technology Enterprise, that are paid to a United States corporation holding 10% or more of the outstanding voting capital throughout the tax year in which the dividend is distributed as well as during the previous tax year, is 12.5%, provided that not more than 25% of the gross income for such preceding year consists of certain types of dividends and interest. If dividends are distributed from income attributed to a Preferred Enterprise or a Preferred Technological Enterprise and the foregoing conditions are met, such dividends are subject to a withholding tax rate of 15% for a shareholder that is a United States corporation. The aforementioned rates under the United States-Israel Tax Treaty would not apply if the dividend income is derived through a permanent establishment of the Treaty U.S. resident in Israel. If the dividend is attributable partly to income derived from a Preferred Enterprise, or a Preferred Technology Enterprise, and partly to other sources of income, the withholding rate will be a blended rate reflecting the relative portions of the two types of income. We cannot assure you that we will designate the profits that we may distribute in a way that will reduce shareholders' tax liability.

A non-Israeli resident who receives dividends from which tax was withheld is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the taxpayer is not obligated to pay surtax (as further explained below).

Surtax

Subject to the provisions of an applicable tax treaty, individuals who are subject to tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual income (including, but not limited to, dividends, interest and capital gain) exceeding NIS 721,560 for 2023, which amount is linked to the annual change in the Israeli consumer price index.

Estate and gift tax

Israeli law presently does not impose estate or gift taxes.

Certain Material U.S. Federal Income Tax Considerations

The following is a description of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares and warrants. This description addresses only the U.S. federal income tax consequences to U.S. Holders (as defined below) that hold our ordinary shares or warrants as capital assets within the meaning of Section 1221 of the Code, and that have the U.S. dollar as their functional currency. This discussion is based upon the Code, applicable U.S. Treasury regulations, administrative pronouncements and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling has been or will be requested from the IRS regarding the tax consequences of the acquisition, ownership or disposition of the ordinary shares and warrants, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address any U.S. tax consequences other than U.S. federal income tax consequences (e.g., the estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income) and does not address any state, local or non-U.S. tax consequences.

This description does not address tax considerations applicable to holders that may be subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts or regulated investment companies;
- dealers or brokers;
- traders that elect to mark to market;
- tax exempt entities or organizations;
- “individual retirement accounts” and other tax deferred accounts;

- certain former citizens or long term residents of the United States;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- grantor trusts;
- persons that acquired our ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation for the performance of services;
- persons holding our ordinary shares or warrants as part of a "hedging," "integrated" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- partnerships or other pass through entities and persons holding ordinary shares or warrants through partnerships or other pass through entities; or
- holders that own directly, indirectly or through attribution 5% or more of the total voting power or value of all of our outstanding shares.

For purposes of this description, a "U.S. Holder" is a beneficial owner of our ordinary shares or warrants that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust has validly elected to be treated as a United States person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares or warrants, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of our ordinary shares or warrants in its particular circumstance.

You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning and disposing of our ordinary shares and warrants.

Distributions on Ordinary Shares

Subject to the discussion below under "*—Passive Foreign Investment Company Rules*," if we make distributions of cash or property on the ordinary shares, the gross amount of such distributions (including any amount of foreign taxes withheld) will be treated for U.S. federal income tax purposes first as a dividend to the extent of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), and then as a tax-free return of capital to the extent of the U.S. Holder's tax basis, with any excess treated as capital gain from the sale or exchange of the shares. If we do not provide calculations of our earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions to be reported as dividends for U.S. federal income tax purposes. Dividends paid with respect to our ordinary shares will not be eligible for the "dividends-received" deduction generally allowed to corporate U.S. Holders in respect of dividends received from U.S. corporations.

Subject to the discussion below under "*—Passive Foreign Investment Company Rules*," dividends received by certain non-corporate U.S. Holders (including individuals) may be "qualified dividend income," which is taxed at the lower applicable capital gains rate, provided that:

- either (a) the shares are readily tradable on an established securities market in the United States, or (b) we are eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program;
- we are neither a PFIC (as discussed below under below under "*—Passive Foreign Investment Company Rules*") nor treated as such with respect to the U.S. Holder for the taxable year in which the dividend is paid or the preceding taxable year;
- the U.S. Holder satisfies certain holding period requirements; and
- the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property.

There can be no assurances that we will be eligible for benefits of an applicable comprehensive income tax treaty between the United States and Israel (the "Treaty"). In addition, there also can be no assurance that the ordinary shares will be considered "readily tradable" on an established securities market in the United States in accordance with applicable legal authorities. Furthermore, we will not constitute a "qualified foreign corporation" for purposes of these rules if we are a PFIC for the taxable year in which we pay a dividend or for the preceding taxable year. See "*—Passive Foreign Investment Company Rules.*" U.S. Holders should consult their own tax advisors regarding the availability of the lower rate for dividends paid with respect to the ordinary shares.

Subject to certain complex conditions and limitations, Israeli taxes withheld on any distributions on our ordinary shares and not refundable to a U.S. Holder may be eligible for credit against the U.S. Holder's federal income tax liability or, at such holder's election, may be eligible for a deduction in computing such holder's U.S. federal income tax liability. However, as a result of recent changes to the U.S. foreign tax credit rules, a withholding tax generally may need to satisfy certain additional requirements in order to be considered a creditable tax for a U.S. Holder. We have not determined whether these requirements have been met and, accordingly, no assurance can be given that any withholding tax on dividends paid by us will be creditable. The election to deduct, rather than credit, foreign taxes, is made on a year-by-year basis and applies to all foreign taxes paid by a U.S. Holder or withheld from a U.S. Holder that year. Subject to certain exceptions, dividends on the ordinary shares will generally constitute foreign source income for foreign tax credit limitation purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ordinary shares generally should constitute "passive category income" but could, in the case of certain U.S. Holders, constitute "general category income." The rules relating to the determination of the foreign tax credit are complex, and U.S. Holders should consult their tax advisor to determine whether and to what extent such holder will be entitled to this credit.

Sale, Exchange, Redemption or Other Taxable Disposition of Ordinary Shares and Warrants.

Subject to the discussion below under "*—Passive Foreign Investment Company Rules*," a U.S. Holder generally will recognize gain or loss on any sale, exchange, redemption or other taxable disposition of ordinary shares or warrants in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such ordinary shares and/or warrants. Any gain or loss recognized by a U.S. Holder on a taxable disposition of ordinary shares or warrants generally will be capital gain or loss. A non-corporate U.S. Holder, including an individual, who has held the ordinary shares and/or warrants for more than one year generally will be eligible for reduced tax rates for such long-term capital gains. The deductibility of capital losses is subject to limitations.

Any such gain or loss recognized generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes, subject to certain possible exceptions under the Treaty. U.S. Holders are urged to consult their own tax advisor regarding the ability to claim a foreign tax credit and the application of the Treaty to such U.S. Holder's particular circumstances.

Exercise or Lapse of a Warrant

Except as discussed below with respect to the cashless exercise of a warrant, a U.S. Holder generally will not recognize gain or loss upon the acquisition of an ordinary share on the exercise of a warrant for cash. A U.S. Holder's tax basis in ordinary shares received upon exercise of the warrant generally should be an amount equal to the sum of the U.S. Holder's tax basis in the warrant received therefore and the exercise price. The U.S. Holder's holding period for an ordinary share received upon exercise of the warrant will begin on the date following the date of exercise (or possibly the date of exercise) of the warrant and will not include the period during which the U.S. Holder held the warrant. If a warrant is allowed to lapse unexercised, a U.S. Holder that has otherwise received no proceeds with respect to such warrant generally will recognize a capital loss equal to such U.S. Holder's tax basis in the warrant.

The tax consequences of a cashless exercise of a warrant are not clear under current U.S. federal income tax law. A cashless exercise may be tax-deferred, either because the exercise is not a realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either situation, a U.S. Holder's basis in the ordinary shares received would equal the U.S. Holder's basis in the warrants exercised therefore. If the cashless exercise is not treated as a realization event, a U.S. Holder's holding period in the ordinary shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the warrants. If the cashless exercise were treated as a recapitalization, the holding period of the ordinary shares would include the holding period of the warrants exercised therefore.

It is also possible that a cashless exercise of a warrant could be treated in part as a taxable exchange in which gain or loss would be recognized in the manner set forth above under "—Sale, Exchange, Redemption or Other Taxable Disposition of Ordinary Shares and Warrants." In such event, a U.S. Holder could be deemed to have surrendered warrants equal to the number of ordinary shares having an aggregate fair market value equal to the exercise price for the total number of warrants to be exercised. The U.S. Holder would recognize capital gain or loss in an amount generally equal to the difference between (i) the fair market value of the warrants deemed surrendered and (ii) the U.S. Holder's tax basis in such warrants deemed surrendered. In this case, a U.S. Holder's tax basis in the ordinary shares received would equal the sum of (i) U.S. Holder's tax basis in the warrants deemed exercised and (ii) the exercise price of such warrants. A U.S. Holder's holding period for the ordinary shares received in such case generally would commence on the date following the date of exercise (or possibly the date of exercise) of the warrants.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of warrants, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their own tax advisors regarding the tax consequences of a cashless exercise of warrants.

Possible Constructive Distributions

The terms of each warrant provide for an adjustment to the number of ordinary shares for which the warrant may be exercised or to the exercise price of the warrant in certain events. An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. Holder of a warrant would, however, be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (for instance, through an increase in the number of ordinary shares that would be obtained upon exercise of such warrant) as a result of a distribution of cash or other property such as other securities to the holders of the ordinary shares which is taxable to the U.S. Holders of such shares as described under "—Distributions on Ordinary Shares" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holder of such warrant received a cash distribution from us equal to the fair market value of such increased interest.

Passive Foreign Investment Company Rules

The treatment of U.S. Holders of the ordinary shares or warrants could be materially different from that described above, if we are treated as a PFIC for U.S. federal income tax purposes. A non-U.S. entity treated as a corporation for U.S. federal income tax purposes generally will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

- at least 75% of its gross income for such year is passive income; or
- at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other entity treated as a corporation for U.S. federal income tax purposes in which we owns, directly or indirectly, 25% or more (by value) of the stock.

We believe we were not a PFIC in 2023. Based on the current and anticipated composition of our and our subsidiaries' income, assets and operations, there is a risk that we may be treated as a PFIC for future taxable years. However, there can be no assurances in this regard, nor can there be any assurances with respect to our status as a PFIC in any future taxable year. Moreover, the application of the PFIC rules is subject to uncertainty in several respects, and we can make no assurances that the IRS will not take a contrary position or that a court will not sustain such a challenge by the IRS.

Whether we are or any of our subsidiaries is treated as a PFIC is determined on an annual basis. The determination of whether we are or any of our subsidiaries is a PFIC is a factual determination that depends on, among other things, the composition of our income and assets, and the market value of our and our subsidiaries' shares and assets. Changes in the composition of our or any of our subsidiaries' income or composition of our or any of our subsidiaries' assets may cause us to be or become a PFIC for the current or subsequent taxable years. Moreover, the value of our assets (including unbooked goodwill) for purposes of the PFIC determination may be determined by reference to our market capitalization, which could fluctuate significantly.

Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder owns ordinary shares or warrants, we would continue to be treated as a PFIC with respect to such investment unless (i) we ceased to be a PFIC and (ii) the U.S. Holder made a "deemed sale" election under the PFIC rules. If such election is made, a U.S. Holder will be deemed to have sold its ordinary shares or warrants at their fair market value on the last day of the last taxable year in which we are classified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the deemed sale election, the ordinary shares or warrants with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

For each taxable year that we are treated as a PFIC with respect to a U.S. Holder's ordinary shares or warrants, the U.S. Holder will be subject to special tax rules with respect to any "excess distribution" (as defined below) received and any gain realized from a sale or disposition (including a pledge) of its ordinary shares (collectively the "Excess Distribution Rules"), unless the U.S. Holder makes a valid QEF election or mark-to-market election as discussed below. Distributions received by a U.S. Holder in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the ordinary shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ordinary shares;
- the amount allocated to the current taxable year, and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are a PFIC, will be treated as ordinary income; and
- the amount allocated to each other taxable year will be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

Under the Excess Distribution Rules, the tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses, and gains (but not losses) realized on the sale of the ordinary shares or warrants cannot be treated as capital gains, even though the U.S. Holder holds the ordinary shares or warrants as capital assets.

Certain of the PFIC rules may impact U.S. Holders with respect to equity interests in subsidiaries and other entities which we may hold, directly or indirectly, that are PFICs (collectively, "Lower-Tier PFICs"). There can be no assurance, however, that we do not own, or will not in the future acquire, an interest in a subsidiary or other entity that is or would be treated as a Lower-Tier PFIC. U.S. Holders should consult their own tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

If we are a PFIC, a U.S. Holder of ordinary shares (but not warrants) may avoid taxation under the Excess Distribution Rules described above by making a "qualified electing fund" ("QEF") election. However, a U.S. Holder may make a QEF election with respect to its ordinary shares only if we provide U.S. Holders on an annual basis with certain financial information specified under applicable U.S. Treasury regulations. There can be no assurance that we will have timely knowledge of our status as a PFIC in the future or that we will timely provide U.S. Holders with the required information on an annual basis to allow U.S. Holders to make a QEF election with respect to our ordinary shares in the event we are treated as a PFIC for any taxable year. The failure to provide such information on an annual basis could prevent a U.S. Holder from making a QEF election or result in the invalidation or termination of a U.S. Holder's prior QEF election. In addition, U.S. Holders of warrants will not be able to make a QEF election with respect to their warrants.

In the event we are a PFIC, a U.S. Holder that makes a QEF election with respect to its ordinary shares would generally be required to include in income for each year that we are treated as a PFIC the U.S. Holder's pro rata share of our ordinary earnings for the year (which would be subject to tax as ordinary income) and net capital gains for the year (which would be subject to tax at the rates applicable to long-term capital gains), without regard to the amount of any distributions made in respect of the ordinary shares. Any net deficits or net capital losses of ours for a taxable year would not be passed through and included on the tax return of the U.S. Holder, however. A U.S. Holder's basis in the ordinary shares would be increased by the amount of income inclusions under the qualified electing fund rules. Dividends actually paid on the ordinary shares generally would not be subject to U.S. federal income tax to the extent of prior income inclusions and would reduce the U.S. Holder's basis in the ordinary shares by a corresponding amount.

If we own any interests in a Lower-Tier PFIC, a U.S. Holder generally must make a separate QEF election for each Lower-Tier PFIC, subject to us providing the relevant tax information for each Lower-Tier PFIC on an annual basis.

If a U.S. Holder does not make a QEF election (or a mark-to-market election, as discussed below) effective from the first taxable year of a U.S. Holder's holding period for the ordinary shares in which we are a PFIC, then the ordinary shares will generally continue to be treated as an interest in a PFIC, and the U.S. Holder generally will remain subject to the Excess Distribution Rules. A U.S. Holder that first makes a QEF election in a later year may avoid the continued application of the Excess Distribution Rules to its ordinary shares by making a "deemed sale" election. In that case, the U.S. Holder will be deemed to have sold the ordinary shares at their fair market value on the first day of the taxable year in which the QEF election becomes effective, and any gain from such deemed sale would be subject to the Excess Distribution Rules described above. A U.S. Holder that is eligible to make a QEF election with respect to its ordinary shares generally may do so by providing the appropriate information to the IRS in the U.S. Holder's timely filed tax return for the year in which the election becomes effective.

U.S. Holders should consult their own tax advisors as to the availability and desirability of a QEF election.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) may make a mark-to-market election for its ordinary shares to elect out of the Excess Distribution Rules discussed above if we are treated as a PFIC. If a U.S. Holder makes a mark-to-market election with respect to its ordinary shares, such U.S. Holder will include in income for each year that we are treated as a PFIC with respect to such ordinary shares an amount equal to the excess, if any, of the fair market value of the ordinary shares as of the close of the U.S. Holder's taxable year over the adjusted basis in the ordinary shares. A U.S. Holder will be allowed a deduction for the excess, if any, of the adjusted basis of the ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowed only to the extent of any net mark-to-market gains on the ordinary shares included in the U.S. Holder's income for prior taxable years. Amounts included in income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ordinary shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ordinary shares, as well as to any loss realized on the actual sale or disposition of the ordinary shares, to the extent the amount of such loss does not exceed the net mark-to-market gains for such ordinary shares previously included in income. A U.S. Holder's basis in the ordinary shares will be adjusted to reflect any mark-to-market income or loss. If a U.S. Holder makes a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under "*—Distributions on Ordinary Shares*," except the lower rates applicable to qualified dividend income would not apply. U.S. Holders of warrants will not be able to make a mark-to-market election with respect to their warrants.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. The ordinary shares, which are currently listed on Nasdaq, are expected to qualify as marketable stock for purposes of the PFIC rules provided the ordinary shares remain listed on Nasdaq, but there can be no assurance that the ordinary shares will remain listed on Nasdaq or be "regularly traded" for purposes of these rules. Because a mark-to-market election cannot be made for equity interests in any Lower-Tier PFICs, a U.S. Holder that does not make the applicable QEF elections generally will continue to be subject to the Excess Distribution Rules with respect to its indirect interest in any Lower-Tier PFICs as described above, even if a mark-to-market election is made for us.

If a U.S. Holder does not make a mark-to-market election (or a QEF election, as discussed above) effective from the first taxable year of a U.S. Holder's holding period for the ordinary shares in which we are a PFIC, then the U.S. Holder generally will remain subject to the Excess Distribution Rules. A U.S. Holder that first makes a mark-to-market election with respect to the ordinary shares in a later year will continue to be subject to the Excess Distribution Rules during the taxable year for which the mark-to-market election becomes effective, including with respect to any mark-to-market gain recognized at the end of that year. In subsequent years for which a valid mark-to-mark election remains in effect, the Excess Distribution Rules generally will not apply. A U.S. Holder that is eligible to make a mark-to-market with respect to its ordinary shares may do so by providing the appropriate information on IRS Form 8621 and timely filing that form with the U.S. Holder's tax return for the year in which the election becomes effective. U.S. Holders should consult their own tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any Lower-Tier PFICs.

A U.S. Holder of a PFIC may be required to file an IRS Form 8621 on an annual basis. U.S. Holders should consult their own tax advisors regarding any reporting requirements that may apply to them if we are a PFIC.

U.S. Holders are strongly encouraged to consult their tax advisors regarding the application of the PFIC rules to their particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements may apply to dividends received by U.S. Holders of ordinary shares and the proceeds received on sale or other taxable disposition of ordinary shares or warrants effected within the United States (and, in certain cases, outside the United States), in each case other than U.S. Holders that are exempt recipients (such as corporations). Backup withholding (currently at a rate of 24%) may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent of the U.S. Holder's broker) or is otherwise subject to backup withholding. U.S. Holders should consult their own tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding generally may be credited against the taxpayer's U.S. federal income tax liability, and a taxpayer may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

Foreign asset reporting

Certain U.S. Holders may be required to file IRS Form 926, Return by U.S. Transferor of Property to a Foreign Corporation, and IRS Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, reporting transfers of cash or other property to us and information relating to the U.S. Holder and us. Substantial penalties may be imposed upon a U.S. Holder that fails to comply. See also the discussion regarding Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, above.

Certain U.S. Holders are required to report their holdings of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds certain threshold amounts, by filing IRS Form 8938 with their federal income tax return. Our ordinary shares and warrants are expected to constitute foreign financial assets subject to these requirements unless they are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of our ordinary shares and/or warrants and the significant penalties for non-compliance.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO AN INVESTOR. EACH INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES OR WARRANTS IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. Our filings with the SEC are also available to the public through the SEC's website at http://www.sec.gov. This site contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we will file with the SEC, within 120 days after the end of each subsequent fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm. We also intend to furnish certain other material information to the SEC under cover of Form 6-K.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of foreign currency exchange rates and interest rates, which are discussed in detail below.

Foreign currency risk

Our financial results are reported in U.S. dollars, changes in exchange rate between the USD and local currencies in those countries in which we operate (primarily the ILS) may affect the results of our operations. The USD cost of our operations in countries other than the United States, is negatively influenced by revaluation of the USD against other currencies.

During 2023, the value of the U.S. dollar strengthened against the ILS by approximately 12.1%. Our most significant foreign currency exposures are related to our operations in Israel.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Interim Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023. Based upon that evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that, as of December 31, 2023, our disclosure controls and procedures were not effective due to the material weaknesses identified by management, as described below. Our disclosure and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosures.

(b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on that assessment, our management concluded that our internal control over financial reporting was not effective as of December 31, 2023 due to material weaknesses in internal control over financial reporting.

As defined in Regulation 12b-2 under the Exchange Act, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented, or detected on a timely basis.

Material weaknesses in internal control over financial reporting

In connection with the Internal Investigation described in this Annual Report and the audit of our consolidated financial statements included in this Annual Report, our management identified material weaknesses in our internal control over financial reporting as of December 31, 2022 and 2021 relating to deficiencies in the design and operation of the procedures relating to the closing of our financial statements. We continue to identify material weaknesesses in our internal control over financial reporting as of December 31, 2023.

These include: (i) lack of sufficient number of personnel with an appropriate level of knowledge and experience in accounting for complex or non-routine transactions; (ii) the fact that our policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed, not properly put in place or not operating effectively; (iii) deficiencies in the design and operations of the procedures relating to the timely closing of financial books at the quarter and fiscal year end; (iv) insufficient oversight of certain signatory rights relating to our financial accounts; (v) ineffective design and implementation of Information Technology General Controls ("ITGC"). The Company's ITGC deficiencies included improperly designed controls pertaining to change management and user access rights over systems that are critical to the Company's system of financial reporting; and (v) incomplete segregation of duties in certain types of transactions and processes (excluding monetary transactions, where there is a clear distinction between the preparer and the signer vis-a-vis financial institutions).

We have begun implementing some remediation steps to improve our internal control over financial reporting and to remediate the identified material weaknesses and expect to continue to do so over the coming months following the filing of this Annual Report, including (i) the hiring of additional accounting and finance resources with public company experience to assist in the expansion and effectiveness of the existing risk assessment, management processes and the design and implementation of controls responsive to those deficiencies; (ii) broadening the scope and improving the effectiveness of existing ITGC for identity and access management, segregation of duties, change management, data governance and program development; (iii) the implementation of enhanced corporate policies and practices including with respect to gifts, loans, conflicts of interest and workplace conduct; (iv) engaging internal and external resources to assist us with remediation and monitoring remediation progress; and (v) delivering periodic training to our team members, including but not limited to technology and accounting staff, on the responsibilities of officers and leaders related to workplace conduct and various compliance issues and internal controls over financial reporting.

Management has expanded and will continue to enhance our system of identifying transactions and evaluating and implementing the accounting standards that apply to our financial statements, including through enhanced analyses by our personnel and third-party professionals with whom we consult regarding complex accounting applications. We intend to continue take steps to remediate the material weaknesses described above and further continue re-assessing the design of controls, the testing of controls and modifying processes designed to improve our internal control over financial reporting. We plan to continue to assess our internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies or are brought to its attention. We will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time. The implementation of our remediation will be ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting.

We cannot assure you that the measures we take will be sufficient to remediate the material weaknesses we identified or avoid the identification of additional material weaknesses in the future. If the steps we take do not remediate the material weaknesses in a timely manner, there could continue to be a reasonable possibility that this control deficiency or others could result in another material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis.

For more information, see "Item 1A. Risk Factors – Risks Related to Our Business and Industry - We have identified a material weakness in our internal control over financial reporting. If our remediation of the material weakness is not effective, or we fail to develop and maintain effective internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired."

(c) Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting due to an exemption for emerging growth companies provided in the JOBS Act.

(d) Changes in internal control over financial reporting

Except as otherwise described herein, there were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that each of Ilan Flato and Lior Lurye is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the listing rules of Nasdaq.

Our board of directors has determined that each member of our audit committee is "independent" as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all our employees, officers and directors. Our Code of Business Conduct and Ethics addresses, among other things, competition and fair dealing, gifts and entertainment, conflicts of interest, international business laws, financial matters and external reporting, company assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Business Conduct and Ethics. Our Code of Business Conduct and Ethics is intended to meet the definition of "code of ethics" under Item 16B. of Form 20-F under the Exchange Act.

We will disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or Nasdaq. Our Code of Business Conduct and Ethics is available on our website at https://www.investors.hubsecurity.com. The information contained on or through our website, or any other website referred to herein, is not incorporated by reference in this Annual Report. We granted no waivers under our Code of Business Conduct and Ethics.

Item 16C. Principal Accounting Fees and Services

Our consolidated financial statements at December 31, 2022 and 2023, and for each of the two years in the period ended December 31, 2023, appearing in this Annual Report have been audited by Kost, Forer, Gabbay & Kasierer, a member of EY Global, independent registered public accounting firm. The current address of Kost, Forer, Gabbay & Kasierer is 144 Menachem Begin Road, Building A, Tel Aviv 6492102, Israel.

The table below sets out the total amount of services rendered to us by Kost, Forer, Gabbay & Kasierer, a member of EY Global, for services performed in the years ended December 31, 2022 and 2023, and breaks down these amounts by category of service:

	2022	2023
	(in thousands)	
Audit Fees	$ 1,000	$ 1,100
Audit Related Fees	513	200
Tax Fees	100	100
Total	1,613	1,400

Audit Fees

Audit fees for the years ended December 31, 2023 and 2022 include fees for the audit of our annual financial statements. This category also includes services that the independent accountant generally provides, such as consents and assistance with and review of documents filed with the SEC.

Audit Related Fees

Audit related fees for the years ended December 31, 2023and December 31, 2022 relate to services in connection with the Business Combination which we consummated on February 28, 2023.

Tax Fees

Tax fees for the years ended December 31, 2023 and 2022 were related to ongoing tax and grant-related advisory, tax compliance and tax planning services.

Pre-Approval Policies and Procedures

The advance approval of the Audit Committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

All services provided by our auditors are approved in advance by either the Audit Committee or members thereof, to whom authority has been delegated, in accordance with the Audit Committee's pre-approval policy.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law, relating to matters such as external directors, the audit committee, the compensation committee and an internal auditor.

We are a "foreign private issuer", as such term is defined in Rule 405 under the Securities Act. As a foreign private issuer we will be permitted to comply with Israeli corporate governance practices instead of the certain listing rules of Nasdaq, provided that we disclose which requirements we are not following and the equivalent Israeli requirements.

We rely on this "foreign private issuer exemption" with respect to the following:

- *Distribution of certain reports to shareholders*. As opposed to the Nasdaq Listing Rules, which require listed issuers to make certain reports, such as annual reports, interim reports and quarterly reports, available to shareholders in one of a number of specific manners, Israeli law does not require us to distribute periodic reports directly to shareholders, and the generally accepted business practice in Israel is not to distribute such reports to shareholders, but to make such reports available through a public website. In addition to making such reports available on a public website, we plan to make our audited financial statements available to our shareholders at our offices and will only mail such reports to shareholders upon request. As a foreign private issuer, we are generally exempt from the SEC's proxy solicitation rules. See "Item 10. Additional Information—Documents on Display" for a description of our Exchange Act reporting obligations.

- *Quorum requirement for shareholder meetings*. Under Nasdaq corporate governance rules, a quorum would require the presence, in person or by proxy, of holders of at least 33.3% of the total issued outstanding voting power of our shares at each general meeting of shareholders. Pursuant to the Articles and as permitted under the Companies Law, the quorum required for a general meeting of shareholders will consist of at least two shareholders present in person or by proxy who hold or represent at least 33.3% of the total outstanding voting power of our shares, except if (i) any such general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting, we qualify as a "foreign private issuer," in which case the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders).

- *Shareholder approval*. We will seek shareholder approval for all corporate actions requiring such approval under requirements of the Companies Law, rather than seeking approval for corporate actions in accordance with Nasdaq Capital Market Listing Rule 5635. In particular, under this Nasdaq Capital Market rule, shareholder approval is generally required for: (i) an acquisition of shares or assets of another company that involves the issuance of 20% or more of the acquirer's shares or voting rights or if a director, officer or 5% shareholder has greater than a 5% interest in the target company or the consideration to be received; (ii) the issuance of shares leading to a change of control; (iii) adoption or amendment of equity compensation arrangements; and (iv) issuances of 20% or more of the shares or voting rights (including securities convertible into, or exercisable for, equity) of a listed company via a private placement (or via sales by directors, officers or 5% shareholders) if such equity is issued (or sold) at below the greater of the book or market value of shares. By contrast, under the Companies Law, shareholder approval is required for, among other things: (i) transactions with directors or the chief executive officer concerning the terms of their service or indemnification, exemption and insurance for their service (or for any other position that they may hold at a company), for which approvals of the compensation committee, board of directors and shareholders are all required (provided that, under regulations promulgated under the Companies Law, the insurance of office holders shall not require shareholder approval and may be approved by only the compensation committee in certain circumstances), (ii) material private placements of shares, which require shareholder approval under the conditions described under "Item 6. Directors, Senior Management and Employees—C. Board Practices—Approval of Private Placements under Israeli Law," (iii) Extraordinary Transactions with controlling shareholders of publicly held companies, which require the special approval described under "Item 6. Directors, Senior Management and Employees—C. Board Practices—Approval of Related Party Transactions under Israeli Law," and (iv) terms of office and employment or other engagement of the controlling shareholder of the Company or such controlling shareholder's relative, which require the special approval described under "Item 6. Directors, Senior Management and Employees—B. Compensation" and "Item 6. Directors, Senior Management and Employees—C. Board Practices—Approval of Related Party Transactions under Israeli Law." In addition, under the Companies Law, a merger requires approval of the shareholders of each of the merging companies. See also "Compensation of officers" above

We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on the Nasdaq. We may, however, in the future decide to rely upon the "foreign private issuer exemption" for purposes of opting out of some or all of the other Nasdaq listing rules.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will only be applicable to the Company from the fiscal year ending on December 31, 2024.

Item 16K. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems, information, and our customers' data. Our cybersecurity policies, standards, processes, and practices are part of our information security management program, which is aligned to our ISO 27001 certification, an international standard to manage information security.

Our cybersecurity risk management program includes a secure software development program intended to reduce the introduction of risks into our software, a software vulnerability and patch management program, and cybersecurity incident detection, response, and recovery programs, among others. Our cybersecurity risk team aims to integrate cybersecurity risks into our overall company's risk management system and processes on an on-going basis.

Key elements of our cybersecurity risk management program include, but are not limited to the following:

- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents and risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;

- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;

- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes; and

- a third-party risk management process for key service providers based on our assessment of their criticality to our operations and respective risk profile.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition.

Cybersecurity Governance

Our Board of Directors considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee oversight of cybersecurity and other information technology risks. The Audit Committee oversees management's implementation of our cybersecurity risk management program.

Additionally, our risk monitoring systems, including our cybersecurity monitoring systems, are regularly audited by our internal auditors as well as cyber security audit companies. We consider the results of external and internal audits of our risk detection and monitoring systems and implement modifications as necessary.

The Audit Committee receives reports from management and the internal auditor on our cybersecurity risks. In addition, management updates the Audit Committee and Board of Directors, as necessary, regarding significant cybersecurity incidents. In addition, the Audit Committee regularly receives reports from management on such topic.

Our cybersecurity management team, including our CEO, Interim Chief Financial Officer, VP Information Technology, Chief Technology Officer (CTO and acting Chief Information Security Officer – CISO) and Chief Legal Officer, are responsible for assessing and managing our material risks from cybersecurity threats. The team is primarily responsible for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. By the nature of our business, our management team gained expertise in cybersecurity, each member bringing years of experience and strategic leadership in cyber security. Our CTO and acting CISO, who holds a B.S. in Computer Science, and has over 25 years of experience, actively participates in formal courses and conferences to stay current with evolving threats.

Our cybersecurity management team is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

PART III

Item 17. Financial Statements

We have provided financial statements pursuant to Item 18.

Item 18. Financial Statements

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of Kost, Forer, Gabbay & Kasierer, a member of EY Global, an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

Item 19. Exhibits

List all exhibits filed as part of the registration statement or Annual Report, including exhibits incorporated by reference.

		Incorporation by Reference				
Exhibit No.	**Description**	**Form**	**File No.**	**Exhibit No.**	**Filing Date**	**Filed / Furnished**
1.1	Amended and Restated Articles of Association of HUB Cyber Security Ltd.	6-K	001-41634	99.2	December 13, 2023	
1.2	Memorandum of Association of HUB Cyber Security Ltd.					*
2.1	Description of Securities.					*
4.1††	Form of Director and Officer Indemnification Agreement.	F-4	333-267035	10.11	November 17, 2022	
4.2††	Compensation Policy for Directors and Officers.	6-K	001-41634	Annex A to Exhibit 99.1	October 5, 2023	
4.3††	Specimen Ordinary Share Certificate of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	4.7	November 17, 2022	
4.4††	2007 Employee Stock Option Plan of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	10.9	November 17, 2022	
4.5††	2021 Employee Stock Option Plan of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	10.10	November 17, 2022	
4.6	Sponsor Support Agreement, dated as of March 23, 2022, by and among Mount Rainier Acquisition Corp., Hub Cyber Security (Israel) Ltd. and initial stockholders of Mount Rainier Acquisition Corp.	F-4	333-267035	10.4	August 24, 2022	
4.7	Form of Amended and Restated Warrant Agreement, by and among Mount Rainier Acquisition Corp., Hub Cyber Security (Israel) Ltd. and American Stock Transfer & Trust Company, LLC, as warrant agent.	F-4	333-267035	4.9	August 24, 2022	
4.8	Registration Rights Agreement, dated March 23, 2022, by and among HUB Cyber Security (Israel) Ltd., certain security holders of HUB Cyber Security (Israel) Ltd. and certain security holders of Mount Rainier Acquisition Corp.	F-4	333-267035	4.10	August 24, 2022	

4.9	Form of Convertible Note dated February 28, 2023	20-F	001-41634	4.9	August 15, 2023
4.10	Form of Registration Rights Agreement dated February 28, 2023	20-F	001-41634	4.10	August 15, 2023
4.11	Demand Promissory Note, dated February 28, 2023, by and between HUB Cyber Security Ltd. and Dominion Capital LLC	20-F	001-41634	4.11	August 15, 2023
4.12	First Amendment to Senior Secured Demand Promissory Note dated March 28, 2023, by and between HUB Cyber Security Ltd. and Dominion Capital LLC	20-F	001-41634	4.12	August 15, 2023
4.13	Equity Purchase Agreement, dated March 28, 2023 by and between HUB Cyber Security Ltd. and Dominion Capital LLC	6-K	001-41634	99.1	March 30, 2023
4.14	Securities Purchase Agreement, dated May 4, 2023 by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC	6-K	001-41634	99.1	May 8, 2023
4.15	Form of Convertible Promissory Note	6-K	001-41634	99.2	May 8, 2023
4.16	Form of Warrant	6-K	001-41634	99.3	May 8, 2023
4.17	First Amendment to Securities Purchase Agreement, Senior Secured Convertible Promissory Note and Warrant, by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC, dated August 24, 2023.	6-K	001-41634	99.1	August 25, 2023
4.18	Second Amendment to Securities Purchase Agreement, Senior Secured Convertible Promissory Note and Warrant, by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC, dated November 28, 2023.	6-K	001-41634	99.1	November 29, 2023
4.19	English Translation of Convertible Loan Agreement, dated June 11, 2023, by and between, Hub Cyber Security Ltd. and Shayna L.P.	20-F	001-41634	4.18	August 15, 2023
4.20	English Translation of Convertible Loan Agreement, dated June 11, 2023, by and between, Hub Cyber Security Ltd. and Shayna L.P.	20-F	001-41634	4.18	August 15, 2023

4.21	English Translation of Convertible Loan Agreement, dated July 9, 2023, by and between, Hub Cyber Security Ltd. and Shayna L.P.	20-F	001-41634	4.19	August 15, 2023	
4.22	Financial Advisory Services Agreement dated as of July 20, 2021, by and between Hub Cyber Security Ltd. and A-Labs Finance and Advisory Ltd.	20-F	001-41634	4.20	August 15, 2023	
4.23	Addendum No. 1 to Financial Advisory Services Agreement dated as of December 28, 2022, by and between Hub Cyber Security Ltd. and A-Labs Finance and Advisory Ltd.	20-F	001-41634	4.21	August 15, 2023	
4.24	English Translation of Loan Agreement, dated January 16, 2023 by and between HUB Cyber Security Ltd. and A-Labs Finance and Advisory Ltd.	20-F	001-41634	4.22	August 15, 2023	
4.25†	Commitment Letter, dated November 16, 2021 by and among, Bank Mizrahi Tefahot Ltd, HUB Cyber Security Ltd. and Comsec Ltd.	20-F	001-41634	4.23	August 15, 2023	
4.26	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.					*
4.27	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.					*
4.28	Form of Warrant issued by HUB Cyber Security Ltd. to First 2023-2024 Accredited Investors.					*
4.29	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.					*
4.30	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.					*

4.31	Form of Warrant issued by HUB Cyber Security Ltd. to Second 2023-2024 Accredited Investors.					*
4.32	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and March-June 2024 Investor.					*
4.33	Amendment to Securities Purchase Agreement, Warrant and Note, dated April 3, 2024.					*
4.34	Second Amendment to Securities Purchase Agreement, Warrants and Notes, dated June 26, 2024.					*
4.35	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and March-June 2024 Investor.					*
4.36	Form of Warrant issued by HUB Cyber Security Ltd. to March-June 2024 Investor.					*
4.37	Share Purchase Agreement between HUB Cyber Security Ltd., Gyro Sky Solutions Ltd., Dolet Systems Ltd., Gari Brizinov, Yaacov Golpur, Qpoint Technologies Ltd., Sensecom Consulting and Projects Management Ltd., Aginix Engineering and Project Management Ltd. and Integral Telemanagement Services Ltd., dated April 3, 2024.#†					*
4.38	Loan and Security Agreement, dated December 4, 2023, among HUB Cyber Security Ltd. and Blackswan Technologies, Inc.					*
4.39	First Amendment to Convertible Loan Agreement, dated August 17, 2023, by and between HUB Cyber Security Ltd. and Shayna LP					*
4.40	First Amendment to Convertible Loan Agreement, dated March 31, 2024, by and between HUB Cyber Security Ltd., Shayna LP and Akina Holdings Limited					*
4.41	Second Amendment to Convertible Loan Agreement, dated April 18, 2024, by and between HUB Cyber Security Ltd., Shayna LP and Akina Holdings Limited					*
4.42	Third Amendment to Convertible Loan Agreement, dated May 9 2024, by and between HUB Cyber Security Ltd., Shayna LP and Akina Holdings Limited					*
4.43	English Translation of Form of Debt Settlement Agreement, dated March 24, 2024, between a vendor, Comsec Ltd., Comsec Distribution Ltd. and Hub Cyber Security Ltd.					*
4.44	Specimen Warrant Certificate of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	4.8	November 17, 2022	
8.1	List of Subsidiaries.					*
12.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
12.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
13.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**

13.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
97.1††	Policy for Recovery of Erroneously Awarded Compensation	6-K	001-41634	Appendix A to 99.1	October 5, 2023	
101.INS	Inline XBRL Instance Document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Inline XBRL for the cover page of this Annual Report on Form 20-F (embedded within the Inline XBRL document)					

* Filed herewith.

** Furnished herewith.

Unofficial English translation from Hebrew original.

† Schedules and exhibits to this Exhibit omitted pursuant to Instructions as to Exhibits to Form 20-F. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

†† Indicates management contract or compensatory plan or arrangement.

Certain agreements filed as exhibits to this Annual Report contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and that may not be reflected in such agreements. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

HUB CYBER SECURITY LTD.

Date: August 16, 2024

By: /s/ Noah Hershcoviz
Name: Noah Hershcoviz
Title: Chief Executive Officer

HUB CYBER SECURITY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of

HUB CYBER SECURITY LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of the financial position of Hub Cyber Security Ltd. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of profit or loss, comprehensive income (loss), changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1d, to the financial statements, as of December 31, 2023, the Company has incurred accumulated losses in the amount of $186,488 thousand, has negative working capital in the amount of $54,323 thousand, has not complied with certain covenants of a loan agreement with a bank and is currently in default on covenants and payments required under other debt facilities it currently has outstanding, has net cash used from operating activities in the amount of $16,202 thousand for the year ended on December 31, 2023, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1d. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KOST FORER GABBAY & KASIERER
A Member of EY Global

We have served as the Company's auditor since 2018.

Tel-Aviv, Israel
August 16, 2024

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
USD in thousands

	Note	December 31, 2023	December 31, 2022
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6	3,522	3,994
Restricted cash and bank deposit		1,637	1,575
Trade receivables, net	7	9,867	24,057
Other assets	8	5,083	1,672
Inventories		-	1,900
		20,109	33,198
NON-CURRENT ASSETS:			
Long-term receivables	5,29(7)	725	872
Long-term restricted deposit		151	3,002
Long-term deposit		177	-
Property and equipment, net	10	1,035	1,314
Right-of-use assets	9	2,510	6,507
Goodwill	11	2,467	13,702
Intangible assets, net	11	5,416	16,198
		12,481	41,595
		32,590	74,793

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
USD in thousands

	Note	December 31, 2023	December 31, 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term loans	13	11,878	13,432
Convertible loans	17	14,449	-
Trade payables	14	9,867	13,771
Current maturities of lease liabilities	9	733	1,472
Current maturities of other liabilities	12a	5,078	3,839
Other accounts payable	15	32,427	25,322
		74,432	57,836
NON-CURRENT LIABILITIES:			
Long-term liabilities	16	147	887
Warrants liabilities	17	6,047	-
Lease liabilities	9	1,712	4,995
Deferred tax liabilities	25	116	161
Other long-term liabilities	12a	-	1,064
Net employee defined benefit liabilities	19	869	1,040
		8,891	8,147
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:	20		
Share capital and premium		103,386	81,620
Share options		10,918	10,367
Treasury shares		(1,230)	(1,230)
Other reserves		19,905	14,698
Accumulated deficit		(186,488)	(99,042)
		(53,509)	6,413
Non-controlling interests		2,776	2,397
Total shareholders' equity (deficit)		(50,733)	8,810
		32,590	74,793

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
USD in thousands (except per share data)

	Note	Year ended December 31, 2023	2022	2021
		USD in thousands (except share and per share data)		
Revenues		42,657	50,002	29,533
Cost of revenues	24a	41,907	45,914	24,711
Gross profit		750	4,088	4,823
Research and development expenses, net	24b	5,886	5,574	5,796
Sales and marketing expenses	24c	10,694	21,674	2,683
General and administrative expenses (*)	24d	49,172	57,271	9,313
Other expenses, net	24e	12,723	-	-
Operating loss		(77,725)	(80,430)	(12,969)
Finance income	24f	(484)	(469)	(5)
Finance expenses	24f	7,194	1,384	296
Loss before taxes on income		(84,435)	(81,345)	(13,260)
Taxes on income (tax benefit)	25	171	(776)	262
Net loss from continuing operation		(84,606)	(80,569)	(13,522)
Net income (loss) from discontinued operation		(2,030)	569	107
Attributable to:				
Equity holders of the Company		(87,446)	(81,595)	(13,030)
Non-controlling interests		810	1,595	(385)
		(86,636)	(80,000)	(13,415)
Net loss per share attributable to equity holders of the Company ($):	26			
Basic and diluted net loss per share from continuing operation		$ (8.82)	$ (9.38)**	$ (1.74)**
Basic and diluted net profit (loss) per share from discontinued operation		$ (0.21)	$ 0.07	$ 0.01
Weighted average number of shares outstanding used in computation of basic and diluted loss per share (in thousand)		9,686	8,529**	7,751**

*) Including $525 thousand and $57 thousand of allegedly misappropriated expenses by two former senior officers of the Company, during the years 2022 and 2021, respectively. See note 1e below.

**) Shares and per shares amounts have been retroactively adjusted to reflect the reverse stock splits as described in note 20a.

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
USD in thousands

	Note	Year ended December 31,		
		2023	2022	*)2021
		USD in thousands		
Net loss from continuing operation		(84,606)	(80,569)	(13,522)
Net (loss) profit from discontinued operation		(2,030)	569	107
Other comprehensive loss, net of taxes:				
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met:				
Foreign currency translation adjustments		-	-	(1)
Amounts that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) from defined benefit plan		92	(121)	(653)
Foreign currency translation from functional currency to presentation currency		(940)	(5,473)	2,307
Total other comprehensive income (loss)		(848)	(5,594)	1,653
Total comprehensive loss		(87,484)	(85,594)	(11,762)
Attributable to:				
Equity holders of the Company		(88,232)	(87,095)	(11,327)
Non-controlling interests		748	1,501	(435)
		(87,484)	(85,594)	(11,762)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHARHOLDERS' EQUITY (DEFICIT)
USD in thousands

	Attributable to equity holders of the Company										
	Share capital and premium	Treasury shares	Share options	Warrants payable	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total shareholders' equity (deficit)
	USD in thousands										
Balance as of January 1, 2023	81,620	(1,230)	10,291	76	18,172	(762)	(2,712)	(99,042)	6,413	2,397	8,810
Total loss								(87,446)	(87,446)	810	(86,636)
Other comprehensive loss						92	(878)		(786)	(62)	(848)
Total comprehensive income (loss)						92	(878)	(87,446)	(88,232)	748	(87,484)
Warrants exercise	286		(52)						234		234
Options exercise	2,89				(1,122)				1,771		1,771
Issuance of shares to Equity line of Credit ("ELOC")	1,570								1,570		1,570
Conversion of convertible loans	6,143								6,143		6,143
Issuance of shares and warrants related to the PIPE, net of issuance expenses	3,557								3,557		3,557
Issuance of shares and warrants	110		679	(76)					712		712
Issuance of shares related to RNER merger transaction (Note 5)	7,208								7,208		7,208
Dividend distribution to non-controlling interests									-	(369)	(369)
Cost of share-based payment					7,115				7,115		7,115
Balance as of December 31, 2023	103,386	(1,230)	10,918	-	24,165	(670)	(3,590)	(186,488)	(53,509)	2,776	(50,733)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHARHOLDERS' EQUITY (DEFICIT)
USD in thousands

	Attributable to equity holders of the Company										
	Share capital and premium	Treasury shares	Share options	Warrants payable	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total Shareholders' equity
Balance as of January 1, 2022	70,762	(1,230)	1,102	-	9,574	(608)	2,634	(17,447)	64,787	991	65,778
Total loss	-	-	-	-	-	-	-	(81,595)	(81,595)	1,595	(80,000)
Other comprehensive loss	-	-	-	-	-	(154)	(5,346)	-	(5,500)	(94)	(5,594)
Total comprehensive loss	-	-	-	-	-	(154)	(5,346)	(81,595)	(87,095)	1,501	(85,594)
Warrants exercise	451	-	-	-	(81)	-	-	-	370	-	370
Options exercise	2,553	-	-	-	(1,837)	-	-	-	716	-	716
Extension of options to equity holders of the Company (Note 18f)	(5,102)	-	5,102	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(95)	(95)
Issuance of shares and options, net of issuance expenses (Note 20)	12,956	-	4,087	76	-	-	-	-	17,119	-	17,119
Cost of share-based payment	-		-		10,516	-	-	-	10,516	-	10,516
Balance as of December 31, 2022	81,620	(1,230)	10,291	76	18,172	(762)	(2,712)	(99,042)	6,413	2,397	8,810

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHARHOLDERS' EQUITY (DEFICIT)
USD in thousands

	Attributable to equity holders of the Company									
	Share capital and premium	Treasury shares	Share options	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total Shareholders' equity
Balance as of January 1, 2021	4,747	-	-	-	-	121	(4,215)	653	-	653
Net loss	-	-	-	-	-	-	(13,232)	(13,232)	(391)	(13,623)
Other comprehensive income	-	-	-	-	(608)	2,513	-	1,905	(44)	1,861
Total comprehensive income	-	-	-	-	(608)	2,513	(13,232)	(11,327)	(435)	(11,762)
Reverse acquisition (Note 5)	21,789	-	1,102	3,677	-	-	-	26,568	1,426	27,994
Issuance of shares, net of issuance expenses (Note 20)	34,571	-	-	-	-	-	-	34,571	-	34,571
Initial consolidation of subsidiaries (Note 5)	9,655	-	-	-	-	-	-	9,655	-	9,655
Repurchase of shares	-	(1,230)	-	-	-	-	-	(1,230)	-	(1,230)
Cost of share-based payment	-	-	-	5,897	-	-	-	5,897	-	5,897
Balance as of December 31, 2021	70,762	(1,230)	1,102	9,574	(608)	2,634	(17,447)	64,787	991	65,778

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
USD in thousands

	Year ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities:			
Net loss	(86,636)	(80,000)	(13,623)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Finance expenses, net	13	896	312
Other expenses	192	-	-
Financial liabilities recorded as listing expenses	7,648	-	-
Finance expenses related to convertible loans and warrants	5,016	-	-
Revaluation of liability to Legacy	810	-	-
Equity Line of Credit (“ELOC”)	1,570	-	-
Share listing expenses	12,312	-	-
Depreciation and amortization	7,637	7,791	1,853
Impairment of goodwill and intangible assets	15,258	23,356	-
Change in employee benefit liabilities, net	(43)	(364)	(94)
Change in deferred tax liabilities	(39)	(1,059)	58
Cost of share-based payment	7,115	10,516	5,897
	57,489	41,136	8,026
Changes in asset and liability items:			
Decrease (increase) in trade receivables	13,242	(1,453)	(6,969)
Decrease (increase) in other assets	(4,730)	2,462	(3,463)
Decrease in receivables for construction contracts	-	-	682
Increase (decrease) in trade payables	(3,436)	544	8,879
Decrease (increase) in inventories	1,812	(288)	(1,195)
Change in balances of government grants	(824)	-	(186)
Increase in other accounts payable	7,980	15,216	2,884
	14,044	16,481	632
Cash paid and received during the year for:			
Interest paid, net	(717)	(806)	(315)
Taxes paid	(382)	(243)	-
	(1,099)	(1,049)	(315)
Net cash used in operating activities	(16,202)	(23,432)	(5,280)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
USD in thousands

	Year ended December 31,		
	2023	**2022**	**2021**
	USD in thousands		
Cash flows from investing activities:			
Investment in restricted bank deposit	-	(660)	(202)
Withdrawal from restricted bank deposit	3,926	-	-
Investment in restricted cash	(1,493)	140	(210)
Change in long-term deposits	-	-	(3,096)
Purchase of property and equipment	(297)	(624)	(453)
Assets acquisition	-	(5,405)	-
Reverse acquisition (a)	-	-	605
Acquisition of newly consolidated subsidiary (b)	-	-	(12,626)
Net cash provided by (used in) investing activities	2,136	(6,549)	(15,982)
Cash flows from financing activities:			
Issuance of ordinary shares, net of issuance expenses	2,379	18,836	34,571
Repurchase of shares	-	-	(1,230)
Short-term loans, net	-	1,780	615
Repayment of lease liabilities	(1,711)	(2,065)	(1,079)
Receipt on account of issuance of shares	-	2,251	-
Dividend distribution to non-controlling interests	-	(95)	-
Exercise of options and warrants	2,005	1,086	-
Government grants	-	77	202
Receipt of short-term loans	15,227	-	-
Repayment of short-term loans	(4,973)	(1,210)	(376)
Net cash provided by financing activities	12,927	20,660	32,703
Exchange rate differences on cash and cash equivalents	667	(659)	1,271
Increase (decrease) in cash and cash equivalents	(472)	(9,980)	12,712
Cash and cash equivalents at the beginning of the year	3,994	13,974	1,262
Cash and cash equivalents at the end of the year	3,522	3,994	13,974
Non-cash transactions:			
Right-of-use asset and liability	(2,516)	1,306	5,542
Assets acquisition	-	4,796	-
Employee benefit assets and liabilities	97	121	-
Reclassification of deferred issuance cost to equity	1,384	1,717	-
Dividend distribution to non-controlling interests	369	-	-
Conversion of convertible loans	6,143	-	-

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

(a) Reverse acquisition:	Year ended December 31, 2021 USD in thousands
The subsidiary's assets and liabilities on acquisition date:	
Restricted bank deposit	859
Trade receivables	10,480
Other accounts receivable	2,703
Construction contracts	682
Property, plant and equipment	489
Right-of-use assets	2,657
Goodwill	14,494
Intangible assets	7,093
Deferred tax asset	1,688
Deferred tax liability	(1,985)
Short term loans	(727)
Trade payables	(1,775)
Other payables	(5,380)
Bank loans	(108)
Liabilities for government grants	(352)
Lease liability	(2,657)
Employee benefit liabilities	(772)
Non-controlling interests	(1,427)
Equity	(26,568)
Total net cash deriving from reverse acquisition	606

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

(b) Initial consolidation of Comsec:	Year ended December 31, 2021 USD in thousands
The subsidiary's assets and liabilities on acquisition date:	
Trade receivables	7,735
Other accounts receivable	614
Inventories	644
Property, plant and equipment	267
Right-of-use assets	2,381
Goodwill	17,057
Intangible assets	16,220
Deferred tax asset	1,720
Deferred tax liability	(2,729)
Short term loan	(9,894)
Trade payables	(4,101)
Other payables	(1,130)
Bank loans	(4,063)
Lease liability	(2,381)
Employee benefit liabilities	(59)
Share capital and premium	(9,655)
Total net cash paid for the acquisition	12,626

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

NOTE 1:- GENERAL

a. Operation:

HUB Cyber Security Ltd. was incorporated under the laws of the State of Israel in 1984 and its headquarter is located in Tel-Aviv, Israel.

HUB Cyber Security Ltd. (formerly: Hub Cyber Security (Israel) Ltd.) ("the Company") was incorporated under the laws of the State of Israel in 1984 and is engaged in developing and marketing quality management software tools and professional services solutions. The Company's software tools aim to allow their users to scientifically predict system failures and prevent them during the design stage. The Company and its subsidiaries ("the Group") are engaged in developing reliable quality assurance systems that support process and product enhancement. The Group's main customers are organizations and institutions operating in the security, electronics, aviation, telecommunications, banking, and other sectors in Israel and worldwide. Following the merger between the Company and HUB (see below), the Company also operates in the Confidential Computing and network security industry.

The Company's ordinary shares have been listed on the Tel-Aviv stock exchange (TASE) since January 23, 2000 and began trading on Nasdaq Capital Market since March 1, 2023. The Company was delisted from TASE on February 28, 2023.

On May 20, 2024, the Company received a letter from Nasdaq regarding the Company's failure to timely file the Form 20-F for the fiscal year ended December 31, 2023 (the "Form 20-F") with the Securities and Exchange Commission (the "SEC"), as required by Nasdaq Listing Rule 5250(c)(1) (the "Filing Requirement").

On July 19, 2024 the Company responded to the aforementioned letter, stated its intention to comply with the Filing Requirement, and asked for an extension. On July 30, 2024 the Company received a reply from Nasdaq, granting its request for an extension to comply with the Filing Requirement until August 19, 2024.

b. Merger between the Company and HUB Cyber Security TLV Ltd.:

In June 2021 the Company completed a merger between the Company and HUB Cyber Security Ltd ("HUB") According to the business combination agreement, HUB became a wholly owned subsidiary of the Company and the Company allocated 51% of its issued and outstanding share capital as of the merger completion date to HUB's shareholders. From the merger completion date, the Company holds the entire equity and voting rights in HUB.

c. Merger between the Company and Mount Rainier Acquisition Corp.:

On March 23, 2022, the Company entered into a definitive Business Combination Agreement with Mount Rainier Acquisition Corp., a Delaware corporation ("RNER") and Rover Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of HUB ("Merger Sub"). Pursuant to the Business Combination Agreement, Merger Sub merged with and into RNER, with RNER surviving the merger (the "Reverse Recapitalization"). Upon consummation of the Reverse Recapitalization and the other transactions contemplated by the Business Combination Agreement (the "Transactions") on February 28, 2023 (the "Closing Date"), RNER became a wholly owned subsidiary of HUB.

Prior to the Closing Date, in connection with the closing of the Transactions, the Company and its shareholders recapitalized the Company's equity securities whereby each ordinary share of the Company was converted into 0.712434 ordinary shares (the "Share Split"). In addition, and as part of the Share Split, each outstanding option to purchase an ordinary share was converted into an option to purchase 0.712434 ordinary shares and the exercise price of such option was increased by dividing the exercise price by 0.712434. As a result of the Share Split, the ordinary shares, options for ordinary shares, exercise price and net loss per share amounts were adjusted retroactively for all periods presented in these consolidated financial statements as if the Share Split had been in effect as of the date of these consolidated financial statements.

NOTE 1:- GENERAL (Cont.)

The Transactions were accounted for as a reverse recapitalization, in accordance with the relevant International Financial Reporting Standards ("IFRS") and the Group was deemed to be the accounting acquirer. RNER did not meet the definition of a business in accordance with IFRS 3 - "Business Combinations", and the Transactions were instead accounted for within the scope of IFRS 2 - "Share-based payment" ("IFRS 2"), as a share-based payment transaction in exchange for a public listing service. In accordance with IFRS 2 the Company recorded a one-time share-based Share listing expense of $12,312 thousand at the closing of the Reverse Recapitalization that was calculated based on the excess of the fair value of the Company issued to public investors over the fair value of the identifiable net assets of RNER that were acquired. See additional information in note 5.

d. Going Concern

The Company's financial statements have been prepared on a basis that assumes that it will continue as a going concern and the ordinary course of business will continue in alignment with Management's 2024-2025 business plan. However, the Company faces significant uncertainty regarding the adequacy of its liquidity and capital resources and its ability to repay its obligations as they become due.

As of December 31, 2023, the Company has incurred accumulated losses in the amount of $186,488 thousand, and had a negative working capital in the amount of $54,323 thousand. Also, for the year ended December 31, 2023 the Company used $16,885 thousand in operating activities. The Company expects to continue to incur losses in 2024 and potentially thereafter as well. On December 31, 2023, the Company's cash and cash equivalents position is not sufficient to fund the Company's planned operations for at least a year beyond the date of the filing date of the consolidated financial statements and the Company requires an immediate cash injection to fund its operations. Furthermore, there are several legal claims against the Company, for addition information refer to Note 22c. Those factors raise substantial doubt about the Company's ability to continue as a going concern.

Since late 2023, the Company completed several strategic steps to improve its cash position. The Company undertook several efforts to to decreased its burn rate, including strategic layoffs and the replacement of lease contract. Additionally, the Company renegotiated key loan agreements and raised a total of more than $16,000 thousand from investors via debt structures and warrant exercise agreements, including over $5,000 thousand warrants exercised by AKINA Capital.

NOTE 1:- GENERAL (Cont.)

The Company's management is closely monitoring the situation and has been attempting to alleviate the liquidity and capital resources concerns through interim financing facilities and other capital raising efforts. However, such efforts remain uncertain and are predicated upon events and circumstances which are outside the Company's control.

The consolidated financial statements for the year ended December 31, 2023 do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to the Company's ability to continue as a going concern. Such adjustments could be material.

e. Loan to a related party

The Company has provided to Blackswan, a related party, an aggregated amount of $2,012 thousand under the BST Loan Agreement, of which $1,023 thousand was provided until December 31, 2023. See note 29(7).

f. Internal investigation

As previously disclosed, on April 20, 2023, the Company's board of directors appointed a Special Committee of Independent Directors (the "Special Committee") to oversee an internal investigation (the "Internal Investigation") in order to review certain allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of the Company. During the course of the Internal Investigation, the Special Committee, together with its outside advisers, believed that it found sufficient evidence to support a determination that the Company's former Chief Executive Officer and President of U.S. operations and former member of the board of directors ("former CEO"), and the Company's former Chief of Staff and wife of the former CEO, misappropriated (from a Company bank account over which the Company's former CEO had sole signatory rights) a total of approximately NIS 2,000 thousand (approximately $582 thousand) for personal use. Further, in certain instances, evidence reviewed by the Special Committee demonstrated that the Company's former CEO authorized payments to contractors without either (i) proper documentation and signatory approval; or (ii) required budget and expense reports. The employment of the former CEO, was terminated effective July 24, 2023 for cause and the Company's former CEO resigned from the Company's board on August 15, 2023. Additionally, the Company has commenced two legal actions in Israel against the Company's former Chief of Staff and against the Company's former CEO to omitted their requests for severance payments in accordance with Israeli law in connection with these determinations by the Special Committee.

Additionally, the Special Committee believed that it found sufficient evidence to determine that, one of the controllers of the Company, with the permission of the Company's former CEO, used Company credit cards for personal use in the amount of approximately NIS 400 thousand (approximately $110 thousand). These personal expenses were neither factored into the controller's payroll nor properly documented in the Company's financial books and records. Additionally, the Company's former CEO approved a bonus of NIS 250 thousand to the controller. However, this bonus was not paid to the controller but instead was paid to a third-party at the controller's direction. Prior to the commencement of legal proceedings, the Company reached a settlement with the controller whereby the amount of the bonus in the amount of NIS 250 thousand plus VAT was repaid to the Company in 2023.

NOTE 1:- GENERAL (Cont.)

The Internal Investigation is complete, although the Company continues to pursue recovery of the misappropriated funds. These events regarding the Special Committee and Internal Investigation are the subject of possible regulatory review and expose the Company and its directors and officers to possible investigations and possible enforcement actions by regulators both in Israel and the United States, including the Israel Securities Authority ("ISA"), Israel Tax Authority, U.S. Securities and Exchange Commission ("SEC"), the Nasdaq Stock Market LLC ("Nasdaq") and/or U.S. Department of Justice ("DOJ"). The Company has provided certain information and documentation to certain regulatory authorities and is prepared to respond to any regulatory inquiry it may receive. The Company's management and its board of directors do not currently believe there are any impacts on the Company's financial statements. If the Company were to be subject to an investigation or enforcement action from a regulatory agency it could have a material adverse effect on the Company's business, financial position and results of operations.

If any federal authorities were to ultimately determine that the Company violated any laws or regulations, the Company may be exposed to a broad range of civil and criminal sanctions including, but not limited to, injunctive relief, disgorgement, fines, penalties, modifications to business practices including the termination or modification of existing business relationships, the imposition of compliance programs and the retention of a monitor to oversee future compliance by the Company, which could be costly and burdensome to the management, and could adversely impact the Company's business, prospects, reputation, financial condition, liquidity, results of operations or cash flows. Even if an inquiry or investigation does not result in any adverse determinations, it potentially could create negative publicity and give rise to third-party litigation or other actions, which could also have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Special Committee is neither a civil nor criminal court of law and no court has yet substantiated the findings of the Special Committee. It is possible that a court of law may find differently than the Special Committee has, which could expose the Company to counterclaims from the Former Senior Officer, the former Chief of Staff or others. Additionally, while the Company has informed the Former Senior Officer that he has been summarily dismissed as an employee and has commenced a legal action in Israel against the former Chief of Staff to omitted her requests for severance payments in accordance with Israeli law, there can be no assurance that the Former Senior Officer, the former Chief of Staff or others will not bring forth any claims or commence any litigation against the Company in connection with the former Senior Officer dismissal, the Company's challenging the former Chief of Staff severance payments or the publication of the Special Committee's findings from the Internal Investigation.

The Company have commenced legal actions in Israel against the Company's former Chief of Staff and against the Company's former CEO to dispute their requests for severance payments in accordance with Israeli law. Two actions were undertaken against the Company's former Chief of Staff. In the initial action, the court granted an injunction preventing her from accessing her accumulated severance package. In the second action, it was requested that the court order that these sums be returned to the Company. In the action against the Company's former CEO, the court was requested to grant an injunction against accessing the accumulated severance package and to order the return of the sums to the Company. These actions are time limited, so the initial action against the Company's former Chief of Staff was initiated prior to the completion of the Special Committee Report and as such was based upon the limited information known at that time. The preliminary hearing in both of these cases is set for the coming months and both will be heard in front of the same judge who granted the injunction against the Company's former Chief of Staff.

NOTE 1:- GENERAL (Cont.)

There can be no assurance that the Company's former CEO, the Company's former Chief of Staff or others will not bring forth any claims or commence any litigation against us in connection with the Company's former CEO's dismissal, his resignation from the board, the Company's challenging the Company's former Chief of Staff's severance payments or the publication of the Special Committee's findings from the Internal Investigation.

Further, the Company incurred substantial costs and diverted management resources in connection with the Internal Investigation, and the Internal Investigation itself caused us to fail to timely file the Company's Annual Reports on Form 20-F for the fiscal years ended December 31, 2022 with the SEC. The Company may also incur material costs associated with the indemnification arrangements with the current and former directors and certain of the Company's officers, as well as other indemnitees related to law suits or regulatory proceedings that have arisen and may arise in the future from the Internal Investigation.

g. Definitions:

In these financial statements:

The Company	-	HUB Cyber Security Ltd.
RNER	-	Mount Rainier Acquisition Corp., a Delaware corporation
Subsidiaries	-	Companies that are controlled by the Company (as defined in IFRS 10) and whose accounts are consolidated with those of the Company.
Investees	-	Subsidiaries.
The Group	-	The Company and its investees.
Related parties	-	As defined in IAS 24.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless stated otherwise.

a. Basis of presentation of the financial statements:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" as issued by the International Accounting Standard Board (IASB)).

The Company's financial statements have been prepared on a cost basis, except for financial instruments measured at fair value through profit or loss.

The Company has elected to present the profit or loss items using the function of expense method.

b. The operating cycle:

The Company's operating cycle is one year.

c. Consolidated financial statements:

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the effect of potential voting rights is considered only if they are substantive.

Non-controlling interests in subsidiaries represent the equity in subsidiaries not attributable, directly or indirectly, to a parent. Non-controlling interests are presented in equity separately from the equity attributable to the equity holders of the Company. Profit or loss and components of other comprehensive income are attributed to the Company and to non-controlling interests. Losses are attributed to non-controlling interests even if they result in a negative balance of non-controlling interests in the consolidated statement of financial position.

d. Business combinations and goodwill:

To determine whether a transaction is accounted for as an asset acquisition or business combination, the Company applies a concentration test to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the transaction is accounted for as an asset acquisition. If the concentration test is not met, the integrated set of activities and assets is considered a business based on whether there are inputs and substantive processes in place. For transactions accounted for as asset acquisitions, the cost, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values.

Business combinations are accounted for by applying the acquisition method. The cost of the acquisition is measured at the fair value of the consideration transferred on the acquisition date with the addition of non-controlling interests in the acquiree. In each business combination, the Company chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the acquisition date or at their proportionate share in the fair value of the acquiree's net identifiable assets.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Direct acquisition costs are carried to the statement of profit or loss as incurred.

Goodwill is initially measured at cost which represents the excess of the acquisition consideration and the amount of non-controlling interests over the net identifiable assets acquired and liabilities assumed.

e. Functional currency, presentation currency and foreign currency:

1. Functional currency and presentation currency:

The Group determines the functional currency of each Group entity, including companies accounted for at equity. Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is NIS. The consolidated financial statements are presented in US dollar, which is the Company's presentation currency.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

- Income and expenses for each statement of profit or loss and statement of comprehensive loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and

- All resulting exchange differences are recognized in other comprehensive income (loss).

2. Transactions, assets and liabilities in foreign currency:

Transactions denominated in foreign currency (other than the functional currency) are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at each reporting date into the functional currency at the exchange rate at that date. Exchange rate differences, other than those capitalized to qualifying assets or accounted for as hedging transactions in equity, are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

f. Revenue recognition:

Revenue from contracts with customers is recognized when the control over the goods or services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

Revenue from rendering of services:

Revenue from rendering of services is recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Company's performance. The Company charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Company recognizes the resulting contract asset or liability.

Contract balances:

The Company charges customers as the work progresses in accordance with the contractual terms. Amounts billed are classified as trade receivables in the statement of financial position. When revenue from performance of a contract are recognized in profit or loss before the customer is charged, the amounts recognized are recorded as trade receivables.

Amounts received from customers in advance of performance by the Company are recorded as contract liabilities and recognized as revenue in profit or loss when the work is performed.

Determining the transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Costs of obtaining a contract:

The Company has elected to apply the practical expedient allowed by IFRS 15 according to which incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset is one year or less.

g. Taxes on income:

Deferred taxes:

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

Deferred taxes are measured at the tax rate that is expected to apply when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilized. Deductible carryforward losses and temporary differences for which deferred tax assets had not been recognized are reviewed at each reporting date and a respective deferred tax asset is recognized to the extent that their utilization is probable.

Taxes that would apply in the event of the disposal of investments in investees have not been taken into account in computing deferred taxes, as long as the disposal of the investments in investees is not probable in the foreseeable future. Also, deferred taxes that would apply in the event of distribution of earnings by investees as dividends have not been taken into account in computing deferred taxes, since the distribution of dividends does not involve an additional tax liability or since it is the Company's policy not to initiate distribution of dividends from a subsidiary that would trigger an additional tax liability.

Deferred taxes are offset if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

h. Intangible assets:

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, are recognized in profit or loss when incurred.

Intangible assets with a finite useful life are amortized over their useful life on a straight-line basis and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Patents:

The patents are for a period of ten years with an option for renewal at the end of the period.

The useful life of intangible assets is as follows:

	Years
Patents	10
Customer relations	3.5-10
Order backlog	1
Technology	2-4

Gains or losses from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the cost of the asset and carried to profit or loss.

i. Impairment of non-financial assets:

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount.

The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

A reversal of an impairment loss for each cash generating unit shall be allocated to the assets of the unit, except for goodwill, pro rata with the carrying amount to each of the assets within the measurement scope of IAS 36. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

The following criteria are applied in assessing impairment of these specific assets:

Goodwill in respect of subsidiaries:

The Company reviews goodwill for impairment at least once a year, on December 31, or more frequently if events or changes in circumstances indicate that there is an impairment.

Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill has been allocated. Each cash-generating unit to which the goodwill is allocated shall represent the lowest level within the Company at which the goodwill is monitored for internal management purposes and not be larger than an operating segment. An impairment loss is recognized if the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is less than the carrying amount of the cash-generating unit (or group of cash-generating units). Any impairment loss is allocated first to goodwill. Impairment losses recognized for goodwill cannot be reversed in subsequent periods.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

j. Financial instruments:

1. Financial liabilities:

a) Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, the Company measures all financial liabilities at amortized cost.

b) Financial liabilities measured at fair value through profit or loss:

At initial recognition, the Company measures financial liabilities that are not measured at amortized cost at fair value. Transaction costs are recognized in profit or loss. After initial recognition, changes in fair value are recognized in profit or loss.

2. Derecognition of financial liabilities:

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

When there is a modification in the terms of an existing financial liability, the Company evaluates whether the modification is substantial.

If the terms of an existing financial liability are substantially modified, such modification is accounted for as an extinguishment of the original liability and the recognition of a new liability. The difference between the carrying amounts of the above liabilities is recognized in profit or loss.

If the modification is not substantial, the Company recalculates the carrying amount of the liability by discounting the revised cash flows at the original effective interest rate and any resulting difference is recognized in profit or loss.

When evaluating whether the modification in the terms of an existing liability is substantial, the Company considers both quantitative and qualitative factors.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

3. Warrants to ordinary shares:

According to IAS 32, "Financial Instruments: Presentation", derivatives which will be settled only by the issuer exchanging fixed amounts of cash to fixed numbers of the Company's ordinary shares will be classified as equity. Otherwise, the instrument should be classified as a financial liability. Therefore, the Group has classified such warrants as a financial liability. The warrant instrument is initially recognized at fair value, and subsequently measured at fair value. Changes in fair value are recognized in profit or loss.

k. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable directly or indirectly.

Level 3 - inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

l. Provisions:

A provision in accordance with IAS 37 is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense is recognized in the statement of profit or loss net of any reimbursement.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Following are the types of provisions included in the financial statements:

A provision for claims is recognized when the Group has a present legal or constructive obligation as a result of a past event, that it is more likely than not that an outflow of resources embodying economic benefits will be required by the Group to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m. Employee benefit liabilities:

The Group has several employee benefit plans:

1. Short-term employee benefits:

Short-term employee benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognized as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognized when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

2. Post-employment benefits:

The plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans.

The Group has defined contribution plans pursuant to section 14 to the Severance Pay Law under which the Group usually pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense when contributed concurrently with performance of the employee's services.

The Group also operates a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law. According to the Law, employees are entitled to severance pay upon dismissal or retirement. The liability for termination of employment is measured using the projected unit credit method. The actuarial assumptions include expected salary increases and rates of employee turnover based on the estimated timing of payment. The amounts are presented based on discounted expected future cash flows using a discount rate determined by reference to market yields at the reporting date on high quality corporate bonds that are linked to the Consumer Price Index with a term that is consistent with the estimated term of the severance pay obligation.

In respect of its severance pay obligation to certain of its employees, the Company usually makes current deposits in severance pay funds and insurance companies ("the plan assets"). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Group's own creditors and cannot be returned directly to the Group.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The liability for employee benefits shown in the statement of financial position reflects the present value of the defined benefit obligation less the fair value of the plan assets.

Remeasurements of the net liability are recognized in other comprehensive income in the period in which they occur.

NOTE 3:- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

In the process of applying the significant accounting policies, the Group has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

a. Judgments:

- Effective control:

The Company evaluates whether it controls a company in which it holds less than the majority of the voting rights by, among others, reference to the size of its share of voting rights relative to the size and dispersion of voting rights held by the other shareholders, and by voting patterns at previous shareholders' meetings.

b. Estimates and assumptions:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Impairment of goodwill:

The Group reviews goodwill for impairment at least once a year. This requires management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit (or a group of cash-generating units) to which the goodwill is allocated and also to choose a suitable discount rate for those cash flows. See more information in Note 2q above.

- Impairment of other intangible assets

The carrying values of the long-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. If any indication exists, then the asset's recoverable amount is estimated. Determining the recoverable amount is subjective and requires management to estimate future growth, profitability, discount and terminal growth rates, and project future cash flows, among other factors. Future events and changing market conditions may impact the assumptions as to prices, costs or other factors that may result in changes to the estimates of future cash flows. If the Company concludes that a definite or indefinite long-lived intangible asset is impaired, the company recognize a loss in an amount equal to the excess of the carrying value of the asset over its fair value at the date of impairment.

The fair value at the date of the impairment becomes the new cost basis and will result in a lower depreciation expense than for periods before the asset's impairment.

- Legal claims:

In estimating the likelihood of outcome of legal claims filed, threatened litigation and unasserted claim against the Company and its investees, the companies rely on the opinion of their legal counsel. These estimates are based on the legal counsel's best professional judgment, taking into account the stage of proceedings and legal precedents in respect of the different issues. Since the outcome of the claims will be determined in courts, the results could differ from these estimates.

NOTE 3:- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (Cont.)

- Deferred tax assets:

  Deferred tax assets are recognized for unused carryforward tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits, its source and the tax planning strategy. See also Note 2g above.

- Severances and other post-employment benefits:

  The liability in respect of post-employment defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about, among others, the discount rate, rate of salary increases and employee turnover rate. The carrying amount of the liability may be significantly affected by changes in these estimates.

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD

1. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards:

   a. Amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors":

   In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors" ("the Amendment"), in which it introduces a new definition of "accounting estimates".

   Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

   The Amendment is applied prospectively for annual reporting periods beginning on January 1, 2023 and is applicable to changes and had no impact.

   b. Amendment to IAS 12, "Income Taxes":

   In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"), which narrows the scope of the initial recognition exception under IAS 12.15 and IAS 12.24 ("the Amendment").

   According to the recognition guidelines of deferred tax assets and liabilities, IAS 12 excludes recognition of deferred tax assets and liabilities in respect of certain temporary differences arising from the initial recognition of certain transactions. This exception is referred to as the "initial recognition exception". The Amendment narrows the scope of the initial recognition exception and clarifies that it does not apply to the recognition of deferred tax assets and liabilities arising from transaction that are not a business combination and that give rise to equal taxable and deductible temporary differences, even if they meet the other criteria of the initial recognition exception.

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD (Cont.)

The Amendment applies for annual reporting periods beginning on January 1, 2023. In relation to leases and decommissioning obligations, the Amendment is applied commencing from the earliest reporting period presented in the financial statements in which the Amendment is initially applied. The cumulative effect of the initial application of the Amendment is recognized as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

The application of the Amendment did not have a material impact on the Company's consolidated financial statements.

c. Amendment to IAS 1, "Disclosure of Accounting Policies":

In February 2021, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("the Amendment"), which replaces the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. One of the main reasons for the Amendment is the absence of a definition of the term 'significant' in IFRS whereas the term 'material' is defined in several standards and particularly in IAS 1.

The Amendment is applicable for annual periods beginning on January 1, 2023.

The application of the above Amendment had an effect on the disclosures of the Company's accounting policies, but did not affect the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

2. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards in the period prior to their adoption:

a. Amendment to IAS 1, "Presentation of Financial Statements":

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" regarding the criteria for determining the classification of liabilities as current or non-current ("the Original Amendment"). In October 2022, the IASB issued a subsequent amendment ("the Subsequent Amendment").

According to the Subsequent Amendment:

- Only financial covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.
- In respect of a liability for which compliance with financial covenants is to be evaluated within twelve months from the reporting date, disclosure is required to enable users of the financial statements to assess the risks related to that liability. The Subsequent Amendment requires disclosure of the carrying amount of the liability, information about the financial covenants, and the facts and circumstances at the end of the reporting period that could result in the conclusion that the entity may have difficulty in complying with the financial covenants.

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD (Cont.)

According to the Original Amendment, the conversion option of a liability affects the classification of the entire liability as current or non-current unless the conversion component is an equity instrument.

The Original Amendment and Subsequent Amendment are both effective for annual periods beginning on or after January 1, 2024 and must be applied retrospectively. Early adoption is permitted.

As of December 31, 2023, all loans are classified to current liabilities and the Company still evaluating the impact related to other liabilities on its consolidated financial statements.

b. Amendment to IFRS 16, "Leases":

In September 2022, the IASB issued an amendment to IFRS 16, "Leases" ("the Amendment"), which provides guidance on how a seller-lessee should measure the lease liability arising in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The seller-lessee has to choose between two accounting policies for measuring the lease liability on the inception date of the lease. The accounting policy chosen must be applied consistently.

The Amendment is applicable for annual periods beginning on or after January 1, 2024. Early adoption is permitted. The Amendment is to be applied retrospectively.

The Company believes that the Amendment is not expected to have a material impact on its consolidated financial statements.

c. Amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments: Disclosures":

In May 2023, the IASB issued amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments: Disclosures" ("the Amendments") to address the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements.

The disclosure requirements in the Amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Amendments are effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

The Company believes that the Amendments are not expected to have a material impact on its consolidated financial statements.

d. Amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates":

In August 2023, the IASB issued "Amendments to IAS 21: Lack of Exchangeability (Amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates")" ("the Amendments") to clarify how an entity should assess whether a currency is exchangeable and how it should measure and determine a spot exchange rate when exchangeability is lacking.

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD (Cont.)

The Amendments set out the requirements for determining the spot exchange rate when a currency lacks exchangeability. The Amendments require disclosure of information that will enable users of financial statements to understand how a currency not being exchangeable affects or is expected to affect the entity's financial performance, financial position and cash flows.

The Amendments apply for annual reporting periods beginning on or after January 1, 2025. The Company believes that the amendments are not expected to have a material impact on its consolidated financial statements.

e. IFRS 18 "Presentation and Disclosure in Financial Statements" (IFRS 18)

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The main changes in the new standard are as below:

i. Improved comparability in the statement of profit or loss. *IFRS 18* requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

ii. Enhanced transparency of management-defined performance measures. *IFRS 18* requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

iii. Useful grouping of information in the financial statements. *IFRS 18* sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. *IFRS 18* also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

The Amendments apply for annual reporting periods beginning on or after January 1, 2027. Earlier adoption is permitted. The Company is still evaluating the effect of this amendment on its consolidated financial statements.

NOTE 5:- MERGER AGREEMENT WITH SPECIAL PURPOSE ACQUISITION COMPANY ("SPAC")

On March 22, 2022, the Company's Board approved the Company's engagement in a merger transaction, which consisted of signing a series of binding agreements including a merger agreement ("the merger transaction"), between the Company and Mount Rainer Acquisition Corp. ("RENR"), an unrelated third party which was traded on the Nasdaq Global Market that raised approximately $175,000 thousand as a SPAC. The Company hired A-Labs Advisory & Finance Ltd., an investment banking firm, and Oppenheimer & Co. Inc. to assist the merger transaction.

The merger transaction relied on the proforma Enterprise Value of the merged company of approximately $1.28 billion (before the money), as agreed upon with Mount Rainier and with the PIPE investors (as defined below), including share options and potential free cash flows of up to approximately $225,000 thousand in the merged company (insofar as none of the SPAC shareholders redeem their investment before the merger transaction closing in keeping with their rights, see further details below).

In connection with the merger transaction, qualifying Israeli and U.S. institutional investors ("the PIPE investors") engaged to invest $50,000 thousand based on the merger company's agreed value as described above (in a private placement) to be invested in the Company at closing.

NOTE 5:- MERGER AGREEMENT WITH SPECIAL PURPOSE ACQUISITION COMPANY ("SPAC") (Cont.)

On January 11, 2023 the Company announced that all the suspending conditions for the merger transaction have been met and the completion of the merger transaction is subject only to the absence of a legal impediment. Shortly before the merger transaction closing date the Company affected a reverse stock split to cause the value of the outstanding ordinary shares immediately prior to the transaction closing date to be equal to $10 per share. (pre reverse stock split of 1:10). The Company's shares began trading on Nasdaq on March 1, 2023.

99% of the shareholders entitled to withdraw their investment of $175,000 thousand elected to redeem their investment upon the approval of the merger.

In March 2023, the Company raised $4,000 thousand from two of the PIPE investors, and, while the Company is considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain if the Company will be able to receive the remaining PIPE funds. As of December 31, 2022, the Company recorded $872 thousand as advance issuance expense, which were classified in 2023 to premium.

In December 2021 the Company entered into an agreement with Oppenheimer & Co., Inc. ("Oppenheimer") to provide financial advisory services. In connection with the Reverse Recapitalization, the Company agreed to pay to Oppenheimer a transaction fee upon the consummation of the Reverse Recapitalization equal to 1% of the aggregate value of the Company implied by the value of the Company's ordinary shares issued to RNER's stockholders in the Reverse Recapitalization on a fully diluted basis, plus the principal amount of any debt or other liabilities of HUB Security outstanding as of the closing date of the Reverse Recapitalization. Based on the valuation of $1.28 billion ascribed to the shares issued to RNER's stockholders in the Reverse Recapitalization in March 2023, the amount owed to Oppenheimer at the closing of the Reverse Recapitalization was approximately $12,800 thousand. As of December 31, 2023 and 2022, the Company recorded $12,800 thousand and $5,120 thousand as accrued expenses, respectively.

On June 12, 2023 a lawsuit was filed by Oppenheimer against the Company alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company's Reverse Recapitalization with Mount Rainier Acquisition Corp. During 2024 the parties have tried to settle the legal issue where the Company believes that those discussions will end in a positive outcome. See detailed information in Note 22(c)).

The Transactions were accounted for as a reverse recapitalization, in accordance with the relevant International Financial Reporting Standards ("IFRS") and the Group was deemed to be the accounting acquirer. RNER did not meet the definition of a business in accordance with IFRS 3 - "Business Combinations", and the Transactions were instead accounted for within the scope of IFRS 2 - "Share-based payment" ("IFRS 2"), as a share-based payment transaction in exchange for a public listing service. In accordance with IFRS 2 the Company recorded a one-time share-based Share listing expense of $12,312 thousand at the closing of the Reverse Recapitalization that was calculated based on the excess of the fair value of the Company issued to public investors over the fair value of the identifiable net assets of RNER that were acquired:

	Amount	Number of shares*)
	USD in thousands except to share amount	
Shares issued to RNER shareholders		453,321
Closing price of the Company's share on Nasdaq as of March 1, 2023 ($)	15.9	
(A) Fair value of the Company's shares issued to RNER shareholders	7,208	
Public Warrants issued to RNER shareholders		1,550,784
Closing price of the Company's warrants on Nasdaq as of March 1, 2023 ($)	1.7	
Private Warrants issued to RNER shareholders		53,599
Fair Value of the Company's warrants on as of March 1, 2023 ($)	1.33	
(B) Fair value of the Company's warrants issued to RNER shareholders	2,711	
RNER assets	588	
RNER liabilities	(2,981)	
(C) Net liabilities of RNER	(2,393)	
IFRS 2 Listing expenses (A+B-C)	12,312	

*) Shares and per shares amounts have been retroactively adjusted to reflect the reverse stock splits as described in note 20a.

NOTE 6:- CASH AND CASH EQUIVALENTS

	December 31,	
	2023	2022
	USD in thousands	
Cash and cash equivalents in NIS	3,201	3,112
Cash and cash equivalents in USD	227	765
Cash and cash equivalents in Euro	2	104
Cash and cash equivalents in other currency	92	13
	3,522	3,994

NOTE 7:- TRADE RECEIVABLES, NET

	December 31,	
	2023	2022
	USD in thousands	
Account receivable	10,051	23,317
Unbilled receivable	902	1,020
Checks collectible	27	405
Allowance for doubtful debt	(1,113)	(685)
Trade receivables, net	9,867	24,057

The Company grants its customers interest-free credit for an average period of 90 days. Impaired debts are accounted for through recording an allowance for doubtful accounts.

The Company policy is to specifically accrue on disputed debt in a period greater of 120 days.

Following is information about the credit risk exposure of the Company's trade receivables:

		Past due trade receivables					
	Not past due	< 30 days	31-60 days	60-90 days	90-120 days	>120 days	Total
	USD in thousands						
Trade receivables before allowance for doubtful accounts	4,349	1,838	1,341	989	520	1,944	10,980
Allowance for doubtful accounts	-	-	-	-	-	1,113	1,113
December 31, 2023	4,349	1,838	1,341	989	520	742	9,867
December 31, 2022	21,147	1,850	349	183	145	383	24,057

NOTE 8:- OTHER ASSETS

	December 31,	
	2023	2022
	USD in thousands	
Government authorities	1,604	1,127
Prepaid expenses	1,483	460
Grants receivables (1)	1,159	-
Other assets	837	85
	5,083	1,672

(1) In November 2023, the Company has been granted $1,159 thousand war grants associated with Israel-Hamas war.

NOTE 9:- LEASES

a. Disclosures for leases in which the Company acts as lessee:

1. The Group companies have entered into leases of buildings and motor vehicles which are used for their ongoing operations.

2. The Company's leases of buildings have a lease term of 2-10 years whereas leases of motor vehicles have lease terms of 3-4 years.

3. Information on leases:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Interest expense on lease liabilities	181	258	210
Total cash outflow for leases	1,711	2,240	1,175

b. Lease extension and termination options:

The Company has leases that include both extension and termination options. These options provide flexibility in managing the leased assets and align with the Company's business needs.

The Company exercises significant judgement in deciding whether it is reasonably certain that the extension and termination options will be exercised.

In leases that contain noncancelable lease periods of 3-10 years, the Company did not include in the lease term the exercise of extension options existing in the lease agreements.

In leases of motor vehicles, the Company does not include in the lease term the exercise of extension options since the Company does not ordinarily exercise options that extend the lease period beyond five years (without the extension option).

NOTE 9:- LEASES (Cont.)

c. Disclosures in respect of right-of-use assets, net:

2023

	Office lease	Motor Vehicles	Total
	USD in thousands		
Cost:			
Balance as of January 1, 2023	7,231	1,794	9,025
Additions during the year:			
New leases	-	643	643
Terminated lease	(2,961)	(80)	(3,041)
Classification	-	71	71
Adjustments arising from indexation	137	-	137
Other	(19)	-	(19)
Adjustments arising from translating financial statements from functional currency to presentation currency	(264)	(10)	(274)
Balance as of December 31, 2023	4,124	2,418	6,542
Accumulated depreciation:			
Balance as of January 1, 2023	1,528	990	2,518
Additions during the year:			
Depreciation in the year	1,033	530	1,563
Adjustments arising from translating financial statements from functional currency to presentation currency	(28)	(20)	(49)
Balance as of December 31, 2023	2,533	1,500	4,032
Depreciated cost as of December 31, 2023	1,591	918	2,510

2022

	Office lease	Motor Vehicles	Total
	USD in thousands		
Cost:			
Balance as of January 1, 2022	7,510	1,262	8,772
Additions during the year:			
New leases	243	711	954
Adjustments arising from indexation	379	-	379
Adjustments arising from translating financial statements from functional currency to presentation currency	(901)	(179)	(1,080)
Balance as of December 31, 2022	7,231	1,794	9,025
Accumulated depreciation:			
Balance as of January 1, 2022	168	369	537
Additions during the year:			
Depreciation in the year	1,445	695	2,140
Adjustments arising from translating financial statements from functional currency to presentation currency	(85)	(74)	(159)
Balance as of December 31, 2022	1,528	990	2,518
Depreciated cost as of December 31, 2022	5,703	804	6,507

NOTE 9:- LEASES (Cont.)

d. As for an analysis of maturity dates of lease liabilities, see Note 16c.

e. The Company has leases of motor vehicles for a period of up to 12 months and low value leases of office furniture. The Company applies the practical expedient in IFRS 16 in respect of these leases and recognizes lease payments as an expense using the straight-line method over the lease term.

f. Lease commitments:

1. In May 2017, the Company entered into a lease of offices in an area of 1,600 sq.m. in the city of Or Yehuda, Israel. The lease is for a period of ten years with an option for extension by another five years. The monthly lease fees are approximately NIS 110 thousand ($30 thousand), linked to the CPI of May 2017 with the addition of VAT. The lease period began on April 1, 2018.

2. In 2019, the Company entered into an agreement for the lease of offices in Tel-Aviv for a period of two years with an option for extension by another two years. In 2022 the Company extended the agreement for two more years. The lease fees are approximately NIS 18 thousand ($5 thousand) a month linked to the CPI plus VAT. The lease period began on June 19, 2022 and early terminated on June 15, 2023.

3. In 2021, the Company entered into an agreement for the lease of offices in Tel-Aviv for a period of five years with an option for extension by another five years. The lease fees are approximately NIS 300 thousand ($81 thousand) a month linked to the CPI month plus VAT. The lease period began on August 15, 2021. The Company early terminated in September 2023.

NOTE 10:- PROPERTY AND EQUIPMENT

Composition and movement:

2023

	Motor vehicles	Office furniture and equipment	Computers and peripheral equipment	Leasehold improvements	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2023	197	235	798	598	1,828
Purchases in the year	-	8	251	38	297
Disposals during the year	(156)	-	-	(97)	(253)
Adjustments arising from translating financial statements from functional currency to presentation currency	(8)	(7)	(19)	(19)	(53)
Balance as of December 31, 2023	33	236	1,030	520	1,819
Accumulated depreciation:					
Balance as of January 1, 2023	53	89	296	76	514
Depreciation in the year	21	21	239	60	341
Disposals during the year	(43)	-	-	(18)	(61)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(2)	(5)	(2)	(10)
Balance as of December 31, 2023	30	108	530	116	784
Depreciated cost as of December 31, 2023	3	128	500	404	1,035

NOTE 10:- PROPERTY AND EQUIPMENT (Cont.)

2022

	Motor vehicles	Office furniture and equipment	Computers and peripheral equipment	Leasehold improvements	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2022	258	291	572	272	1,393
Purchases in the year	1	99	412	373	885
Disposals during the year	(35)	(121)	(105)	-	(261)
Adjustments arising from translating financial statements from functional currency to presentation currency	(27)	(34)	(81)	(47)	(189)
Balance as of December 31, 2022	197	235	798	598	1,828
Accumulated depreciation:					
Balance as of January 1, 2022	19	20	180	28	247
Depreciation in the year	38	74	143	54	309
Adjustments arising from translating financial statements from functional currency to presentation currency	(4)	(5)	(27)	(6)	(42)
Balance as of December 31, 2022	53	89	296	76	514
Depreciated cost as of December 31, 2022	144	146	502	522	1,314

NOTE 11:- GOODWILL AND INTANGIBLE ASSETS, NET

a. As for charges, see Note 22a.

Composition and movement:

	Patents	Goodwill	Customer relations, order backlog	Technology (2)	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2022	20	31,992	22,273	1,207	55,492
Purchases in the year	13	-	9,453	500	9,966
Impairment recognized in the year	-	(14,618)	(8,300)	(438)	(23,356)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(3,672)	(2,603)	(143)	(6,419)
Balance as of December 31, 2022	32	13,702	20,823	1,126	35,683
Impairment recognized in the year (1)	-	(10,643)	(4,615)	-	(15,258)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(592)	(613)	(34)	(1,240)
Balance as of December 31, 2023	31	2,467	15,595	1,092	19,185
Accumulated amortization:					
Balance as of January 1, 2022	7	-	801	75	883
Amortization recognized in the year (1)	2	-	4,723	623	5,348
Adjustments arising from translating financial statements from functional currency to presentation currency	*	-	(411)	(37)	(448)
Balance as of December 31, 2022	9	-	5,113	661	5,783
Amortization recognized in the year (1)	9	-	5,278	446	5,733
Adjustments arising from translating financial statements from functional currency to presentation currency	*	-	(199)	(15)	(214)
Balance as of December 31, 2023	18	-	10,192	1,092	11,302
Net balance:					
As of December 31, 2023	13	2,467	5,403	-	7,883
As of December 31, 2022	23	13,702	15,710	465	29,900

* Less than 1 thousand US dollars.

(1) Customer relations, order backlog and brand amortization expenses are classified in the statement of profit or loss under sales and marketing expenses.

(2) Technology and supplier relationships amortization expenses are classified in the statement of profit or loss under cost of sales expenses. Patents amortization expenses are classified in the statement of profit or loss under General and administrative expenses.

b. For the years ended December 31, 2023 and 2022, the criteria for recognition in intangible asset related to development have not been met and therefore all development costs have been recognized as an expense in profit or loss.

c. In May 2022, the Company entered into an Asset Purchase Agreement with Legacy Technologies Gmbh ("Legacy") a European cyber firm that has an extensive EMEA distribution network of cyber solutions for major government and enterprise data centers. The acquired assets were mainly comprised of customer relationships of Legacy. The asset acquisition was completed on July 5, 2022. The total consideration for the sale and transfer of the acquired assets was $10,000 thousand in cash and additional contingent consideration of up to $12,000 thousand in restricted share units (RSUs) of the Company subject to compliance of several milestones established in the agreement. Half of the cash consideration was paid at the contract closing and the other half was scheduled to be paid in accordance with the payment terms established in the agreement over 2.5 years. The RSUs were treated as post combination transaction (refer to Note 21 – Share-Based Payment for further details).

As of December 31, 2022, $3,839 thousand out of the remaining Consideration liability are classified in the balance sheet under line-item Current maturities of other liabilities. Out of this amount $375 thousand were paid after year-end.

As of December 31, 2023, $5,078 thousand out of the remaining Consideration liability are classified in the balance sheet under line-item Current maturities of other liabilities.

NOTE 11:- GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

The transaction was analyzed in accordance with IFRS 3 – Business Combinations to first determine whether the acquired assets constitute a business. The Company had applied the concentration test. Based on the concentration test, substantially all of the fair value of the gross assets acquired is concentrated in the customer relationships. As a result, the transaction was treated as asset acquisition.

The following represented the fair value of the identifiable assets as of the acquisition date:

The purchase price allocation was as follow (in thousands):

Technology	500
Customer relationships	9,453
Total consideration	9,953

As of December 31, 2022, the Company identified indicators of impairment since no binding purchase orders had been signed nor significant progress had been made on the purchased customer relationships as was expected upon the purchase date. As a result, management determined that the assets acquired should be fully impaired. As such, for the year ended December 31, 2022, the Company recorded an impairment loss of $8,738 thousand for the assets acquired from Legacy.

d. Impairment loss of goodwill and intangible assets with defined useful life

For annual impairment testing of goodwill and intangible assets with defined useful life the goodwill and other intangible assets of the Company were allocated to the operating segments which constitute four groups of cash generating units as follow:

- Consulting and distribution
- Dstorm (technology platform developed by Comsec)
- Professional services
- ALD Software

The carrying amount as of December 31, 2023 of the goodwill and the intangible assets which were allocated to each cash-generating unit:

	Professional Services	ALD Software	Dstorm	Consulting and Distribution	Total
	USD in thousands				
Patents	13	-	-	-	13
Goodwill	1,422	1,045	-	-	2,467
Customer relationship, Suppliers relationship and Backlog	2,513	1,171	-	4,199	7,883
Total	13	-	-	-	13

NOTE 11:- GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

The Company performed its annual impairment test in December 31, 2023 and 2022, respectively. The recoverable amount of each cash generating unit was assessed using the income approach model.

ALD Software and Professional services

The recoverable amount of the ALD Software and Professional services cash-generating units ("CGU") as of December 31, 2023 have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 20% for ALD Software and Professional services cash-generating units. Cash flows beyond the five-year period are extrapolated using a 2% growth rate for both cash generating units. As a result of this analysis, the value in use of the ALD Software and Professional services cash-generating units was determined to be lower than their carrying amounts, thus an impairment in the amount of $8,336 thousand was recognized in Professional services CGUs and an impairment in the amount of $651 thousand was recognized in ALD Software CGUs. The provision was recorded in impairment of goodwill and intangible assets expenses.

Consulting and distribution and Dstorm

The recoverable amount of the Consulting and distribution and Dstorm cash-generating units as of December 31, 2023 have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 17% for both the Consulting and distribution and Dstorm cash-generating units. Cash flows beyond the five-year period are extrapolated using a 2% growth rate for both cash generating units. As a result of this analysis, the value in use of the Consulting and distribution and Dstorm cash-generating units were determined to be lower of their carrying amounts, thus impairment was recognized in the amount of $4,399 thousand in Consulting and distribution CGUs and an impairment in the amount of $1,872 thousand was recognized in Dstorm CGUs.

Key assumptions

The calculation of value in use for all of the cash generating units is most sensitive to the following key assumptions:

- Discount rates
- Growth rate used for the forecast period and to extrapolate cash flows beyond the forecast period.

Discount rates − Discount rates represent the current market assessment of the risks specific to each cash-generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity.

NOTE 11:- GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

A rise in the pre-tax discount rate of 20% to ALD Software and Professional services cash generating unit (i.e., +1%) would result in recognition of additional impairment of $219 thousand.

A rise in the pre-tax discount rate of 17% to Consulting and distribution and Dstorm cash generating unit (i.e., +1%) would result in recognition of additional impairment of $1,047 thousand.

Growth rate estimates – according to Company's management forecast and for the terminal year, rates are based on published industry research.

A reduction by 1% in the long-term growth rate to Consulting and distribution and Dstorm would result in recognition of additional impairment of $707 thousand.

NOTE 12:- DISCONTINUED OPERATIONS

In November 2021, the Company completed the acquisition of Comsec Ltd. and its subsidiaries. During 2023, one of the subsidiaries, Comsec Distribution Ltd. ("Distribution") had financial, operational and commercials difficulties, cessation of sales starting July 2023, layoffs and departures of employees so that as of December 31, 2023 there were no employees in this activity.

As of December 31, 2023, there were no business activities in Comsec Distribution.

As of December 31, 2023 and based on the analysis performed by the Company's management it has been determined that Comsec Distribution is considered as an abandoned business operation in accordance with IFRS 5, constitutes a component of the Company that represents a separate major line of business and therefore meets the criteria for classification as a discontinued operation.

Prior to the classification of Distribution as a discontinued operation, the recoverable amount of certain items of account receivables and inventory were estimated and an impairment loss in an amount of $431 thousand and $1,900 thousand, respectively were recognized in order to ascertain that the carrying amount of the account receivables and inventory is not higher than their recoverable amount.

Below are data of the operating results attributed to the discontinued operation:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Revenues from sales	5,459	29,741	2,987
Cost of sales	(5,931)	(27,383)	(2,713)
Gross profit (loss)	(472)	2,358	274
Sales and marketing expenses	351	1,126	91
General and administrative expenses	851	308	54
Operating income (loss)	(1,674)	924	129
Finance expenses, net	356	317	22
Income before taxes on income	(2,030)	607	107
Taxes on income	-	37	-
Income (loss) after taxes on income	(2,030)	569	107

NOTE 12:- DISCONTINUED OPERATIONS (Cont.)

Below are data of the net cash flows provided by (used in) the discontinued operation:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Net cash provided by (used in) discontinued operating activities	1,917	1,867	(638)
Net cash provided by (used in) discontinued investing activities	(1,026)	949	730
Net cash used in discontinued financing activities	(1,375)	(2,429)	-
Total net cash provided by (used in) discontinued operation	(484)	387	92

NOTE 13:- SHORT-TERM LOAN

a. Composition:

	December 31,	
	2023	2022
	USD in thousands	
Short-term loan (1)-(8)	11,750	13,417
Accrued interest	128	15
	11,878	13,432

(1) Loan received in July 2020, by Comsec Distribution (fully owned subsidiary), with an original principal amount of NIS 5,000 thousand $)1,452 thousand), bearing annual interest of Prime (Bank of Israel intrabank plus 1.5%) + 1.95%. and repayable in 24 instalments from July 2022. As of December 31, 2023 the remaining principal amount is $906 thousand.

(2) Loan received in September 2021, by Comsec Ltd (fully owned subsidiary), with an original principal amount of NIS 980 thousand ($309 thousand), unlinked and bearing annual interest of Prime (Bank of Israel intrabank) + 1.5%. As of December 31, 2023 the remaining principal amount is $110 thousand.

(3) Loan received in September 2021, by Comsec Ltd (fully owned subsidiary), with an original principal amount of NIS 6,000 thousand ($1,934 thousand) and repayable in two annual instalments from September 2023, linked and bearing annual interest of Prime (Bank of Israel intrabank plus 1.5%) + 1.95%. As of December 31, 2023 the remaining principal amount is $831 thousand.

(4) Loan received in August 2022, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 1,000 thousand ($274 thousand) and repayable in 10 instalments from June 2023. The loan bearing interest of 7.25%. As of December 31, 2023 the remaining principal amount is $118 thousand.

(5) On-call loans received by Comsec, in an aggregate principal amount of NIS 34,106 thousand ($9,692 thousand). As of December 31, 2023 the remaining principal amount is $5,497 thousand.

NOTE 13:- SHORT-TERM LOAN (Cont.)

(6) Loan received in May 2023, by Qpoint, with an original principal amount of NIS 1,700 thousand ($469 thousand) and repayable in 12 instalments from June 2023. The loan bearing interest of Prime + 1.01%. As of December 31, 2023 the remaining principal amount is $380 thousand.

(7) Loan received in January 2023, by HUB, in an aggregate principal amount of NIS 3,300 thousand ($900 thousand) and repayable in one instalment in January 2026 in an amount of $1,000 thousand. The loan bearing interest of 12%. As of December 31, 2023 the remaining principal amount is $1,041 thousand (including an interest of $112 thousand). The Company did not meet the repayment terms, therefore the loan is classified as short-term loan.

(8) See information related to a loan received from Dominion in Note 20d.

Financial covenants:

In connection with bank loans whose balance as of December 31, 2023 approximates NIS 428 thousand ($118 thousand), the subsidiary, Aginix, has undertaken towards the lending bank to meet the following financial covenants: the subsidiary's adjusted equity will not be lower than NIS 500 thousand and its ratio to balance sheet will not be lower than 10%.

In connection with bank loans whose balance as of December 31, 2023 approximates NIS 26,642 thousand ($7,345 thousand), the subsidiary, Comsec, has undertaken towards the lending bank to meet the following financial covenants: the subsidiary's customer debt to on-call bank credit will not be lower than 1.2 and the ratio of long-term debt less cash to EBITDA will not be higher than 3.5 at all times.

As of December 31, 2023, the subsidiary, Comsec, is not in compliance with the above financial covenants therefore the loans are classified as a short term loans.

b. As for collaterals and charges, see Note 22a below.

NOTE 14:- TRADE PAYABLES

	December 31,	
	2023	2022
	USD in thousands	
Open debts	9,101	12,410
Checks payable	766	1,361
	9,867	13,771

Trade payables are non-interest bearing and are normally settled on average of 60-days terms.

NOTE 15:- OTHER ACCOUNTS PAYABLE

	December 31,	
	2023	2022
	USD in thousands	
Employees and payroll accruals	4,691	5,797
Accrued vacation pay	1,225	1,510
Government authorities	1,282	1,997
Accrued expenses	23,067	12,636
Current liability of government grants	265	402
Liability on account of shares issuance	-	2,289
Deferred revenues	1,205	611
Other	692	80
	32,427	25,322

NOTE 16:- LONG-TERM LIABILITIES

a. As of December 31, 2023, the Company is not in compliance with the financial covenants described in note 13(a) therefore the loans are classified to Short-Term Loan.

As for charges, see Note 22a below.

b. Composition of other long-term liabilities:

December 31, 2023

	Effective interest rate	Balance	Balance less current maturities
	%	USD in thousands	
Liabilities for government grants	11.5	412	147

December 31, 2022

	Effective interest rate	Balance	Balance less current maturities
	%	USD in thousands	
Liabilities for government grants	11.5	1,289	887

The liabilities for government grants are linked to the USD-NIS exchange rate.

NOTE 16:- LONG-TERM LIABILITIES (Cont.)

Government grants:

	December 31,	
	2023	2022
	USD in thousands	
Balance as of January 1,	1,289	961
Grants received during the year	-	77
Liability revaluation	(877)	251
Balance as of December 31,	412	1,289

Presented in the statement of financial position as follows:

	December 31,	
	2023	2022
	USD in thousands	
In current liabilities	265	402
In non-current liabilities	147	887
	412	1,289

Government grants:

The Company received from the Government of Israel grants for participation in research and development in return for the payment of royalties of 3.5% on sales of products resulting from the funded research and development up to 100% of the grants received.

The financial statements include the liability in the amount which management expects to repay the IIA, within ten years, discounted at a rate of 11.5%.

c. The maturity profile of lease liabilities and other long-term liabilities:

December 31, 2023

	First year	Second year	Third year	Fourth year	Fifth year	Sixth year and onwards	Total
	USD in thousands						
Lease liabilities	382	382	382	382	-	-	1,528
Liabilities for government grants	265	30	21	19	18	59	412
Total	647	412	403	401	18	59	1,940

As of December 31, 2023, total grants received by HUB amount to $973 thousand and no material amount was paid. No new grants were received during 2023.

As of December 31, 2023, total grants received by ALD and ALD Software, the subsidiary, amount to $1,873 thousand and the total royalties paid were $467 thousand.

NOTE 17:- FINANCIALS LIABILITIES

a. Convertible loans

1. On each of February 23, 2023, June 11, 2023 and July 7, 2023, the Company entered into Convertible Loan Agreements (together the "Shayna Loan Agreements") with Shayna LP, a Cayman Islands company("Shayna"), in the amounts of NIS 10,000 thousand (approximately $2,800 thousand), NIS 5,000 thousand (approximately $1,400 thousand) and NIS 1,850 thousand (approximately $500 thousand) respectively (each a "Shayna Loan and, together, the "Shayna Loans"). The Shayna Loans will not bear interest unless the Company defaults in making certain payments under the Shayna Loans. In the event that the Company defaults on certain payments under the Shayna Loans, then Shayna Loans will bear interest at an annual rate of 8% until paid in full.

   Following an amendment that we entered into with Shayna on August 17, 2023, the Shayna Loans will each be convertible at the option of Shayna at a conversion price equal to a $2.00.

   On June 11, 2023, the Company entered into a second convertible loan agreement (the "Under the first Shayna Loan Agreement, the Company agreed to issue to the lender warrants to purchase a number of ordinary shares, equal to an amount of shares converted by the lender (in the event that the lender elects to convert a portion of the loan), at an exercise price equal to the conversion price determined pursuant to the first Shayna Loan Agreement, which is 35% lower than the average price of Company's ordinary shares in the five trading days preceding a conversion notice . The warrants will be exercisable for 36 months from the signing date of the first Shayna Loan Agreement. Under the second Shayna Loan Agreement, the exercise price was amended to be equal to the conversion rate under the second Shayna Loan Agreement, which is 40% lower than the average price of Company's ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding the signing date of the second Shayna Loan Agreement, whichever is lower. The expiration date was also amended to be 24 months from the date of issuance of such warrant. Under the third Shayna Loan Agreement, the exercise price was changed to be equal to the conversion rate under the third Shayna Loan Agreement, which is : 40% lower than the average price of Company's ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding the date of the Company Board of Directors meeting which took place on July 8, 2023, whichever is lower. As of the date of this Annual Report, the Company has not received a conversion notice from the lender, so no warrants to purchase ordinary shares have been issued pursuant to the Shayna Loan Agreements.

   Pursuant to the Shayna Loan Agreements, we agreed to file a registration statement on Form F-1 (the "Registration Statement") to register (i) the shares issuable upon conversion of the Shayna Loans; (ii) any warrants issuable under the Shayna Loan Agreements and (iii) the shares issuable upon exercisable of the warrants to be issued under the Shayna Loan Agreements, no later than 7 days following the filing our 2022 Annual Report. We also agreed to make every effort and take all the necessary actions so that the aforementioned registration statement will be declared effective by the SEC as early as possible after its submission to the SEC and in order for it to remain effective until all shares held by Shayna are sold or freely tradable under Rule 144 without giving effect to volume or manner of sale limitations. We will bear all the costs associated with such registration.

   In addition, Shayna will not be allowed to convert the Shayna Loans, and we will not issue shares in respect of a conversion notice, if the conversion would require the approval of our shareholders in accordance with section 270(5) and section 274 of the Companies Law, and this conversion and allocation will be postponed to the earliest date given in accordance with section 270(5) and Article 274 of the Companies Law.

   If, at any point following the conversion of the Loans, Shayna were to own 7% or more of our issued and outstanding shares, Shayna will be entitled to require us, to register for resale all of the Company's shares for resale by Shayna, as well as ordinary shares that may be allocated upon exercising warrants, which Shayna will be entitled to as a result of the conversion of the Loans, on Form F-1 or Form F-3, as applicable, within 21 days after receiving a written notice from Shayna. Additionally, pursuant to the Shayna Loan Agreements, Shayna will be entitled to standard "piggyback registration rights" in any case that we submit a registration document to the SEC to register our shares for sale by us or any other party and will also be entitled to participate in any sale of shares under that registration statement.

   In connection with the Shayna Loans, the Company agreed to pay commission totaling NIS 467 thousand (approximately $125 thousand) to an affiliate entity of Shayna. In addition, commencing on August 10, 2023, the Company agreed to pay to Shayna a consulting fee equal to $96 thousand per month (plus value added tax) in 12 equal monthly payments, totaling $1,151 thousand for advisory services to be provided pursuant to the Shayna Loan Agreements. The Company also agreed to pay a commission equal to NIS 375 thousand (approximately $105 thousand) together with warrants to purchase the Company's ordinary shares having a value equal to NIS 375 thousand upon the date of grant to A-Labs Finance and Advisory Ltd.

   Those both loans were classified as short term loans due to violation of the financial covenants in which the Company had to register the ordinary shares subject to the agreements within a period of 90 days of execution, however the Company failed to meet the legal condition.

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

In order to guarantee Shayna's rights under the Shayna Loans and to receive the brokerage and consulting fees set forth above, each of Vizerion Ltd., A-Labs and Uzi Moskovich (together the "Pledgors"), agreed to pledge all shares and warrants of the Company held by them in favor of Shayna. If the Company fails to register the shares issuable upon conversion of the Shayna Loans within 90 days of the signing of the Shayna Loan Agreements, then Shayna may, at its sole option, foreclose on the shares, in proportion the holding of each of the Pledgors, in exchange for assigning Shayna's rights according to the Shayna Loan Agreement to the Pledgors for the allocation of shares in the same number that was exercised by Shayna, and all other rights of Shayna under the Shayna Loan Agreements will remain in effect. If the registration of the shares is completed and Shayna is paid in full for the consulting fee noted above, the pledges on the shares will be canceled.

2. On May 4, 2023, the Company signed a Securities Purchase Agreement ("SPA") to issue Lind Global Asset Management VI LLC, an investment fund managed by The Lind Partners, a New York based institutional fund manager (together, "Lind") to up to two (2) secured convertible promissory notes in three tranches (the "Notes" and each a "Note") for proceeds up to $16,000 thousand and warrants to purchase the Company's ordinary shares. The first tranche occurred on May 8, 2023 and consisted of the issuance and sale of a Note with a price of $6,000 thousand, a principal amount of $7,200 thousand and the issuance of Warrants to acquire 2,458,210 ordinary shares. The price for the initial Note consisted of two separate funding amounts.

   The initial funding of $4,500 thousand was received by the Company (less legal fees and a 3.5% commitment fee) and the funding of the remaining $1,500 thousand received during September 2023. The second tranche consisted of the issuance and sale to Lind of a Note for $10,000 thousand and a principal amount of $12,000 thousand, and the issuance of additional warrants to acquire ordinary shares. The second closing will occur sixty (60) days following the registration of the ordinary shares issuable upon conversion of the Note and the ordinary shares. The Second Closing is subject to certain conditions precedent as set forth in the SPA. As of today, the second closing hasn't accrued.

   The Note issued under the SPA in the First Closing will have a maturity date of May 8, 2025, and the Note issued under the SPA in the Second Closing will have a maturity date of 2 years from the date of issuance (the "Maturity Date"). Beginning on the date that is either the earlier of (1) the Registration Statement being declared effective and (2) 120 days from the issuance date of each Note, the Company shall repay the Note in twelve consecutive monthly installments, (each, a "Payment Date" and collectively the "Monthly Payments") an amount equal to $600 thousand (the "Repayment Amount"), with the option of Lind to increase one Monthly Payment up to $1,500 thousand by providing written notice. As of December 31, 2023 the Company does not have an effective registration statement, therefore the loan is presented in the short term.

   The Company has the option to make the Monthly Payments (i) in cash in the amount equal to the Repayment Amount multiplied by 1.05 (ii) ordinary shares, or (iii) a combination of cash and ordinary shares. The amount of ordinary shares to be issued upon repayment shall be calculated by dividing the Repayment Amount being paid in ordinary shares by the Repayment Share Price. The "Repayment Share Price" will be equal to ninety percent (90%) of the average of the lowest five (5) consecutive daily VWAPs during the twenty (20) Trading Days prior to the Payment Date.

   During November and December 2023, Lind converted an aggregated amount of $4,800 thousand into 2,215,373 ordinary shares.

3. In November and December 2023, the Company entered into Securities Purchase Agreements (the "2023 Accreditor Investor SPAs") providing for the sale by the Company to certain accredited investors (the "2023 Accreditor Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $2,700 thousand (the "2023 Accreditor Investor Notes"), and warrants exercisable into one ordinary share for each ordinary share issuable to the 2023 Accredit Investors upon the conversion of the principal amount of the 2023 Accreditor Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "2023 Accreditor Investor Warrants").

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

The aggregate principal amount of the 2023 Accreditor Investor Notes is convertible into the Company's ordinary shares at a rate of the lower of (i) $2.50 and (ii) the product of 75% multiplied by the arithmetic average of the volume-weighted average price of the ordinary shares in the five (5) trading days prior to the date of conversion, provided that such conversion rate will not be lower than $1.50. The 2023 Accreditor Investor Notes do not bear interest and are repayable on the three-month anniversary of their issuance, subject to earlier conversion by the 2023 Accreditor Investors. The 2023 Accreditor Investors have the right to convert the 2023 Accreditor Investors Notes, in whole or in part, at any time following their issuance.

As of December 31, 2023, certain 2023 Accreditor Investors have converted the 2023 Accreditor Investor Notes held thereby into the Company's ordinary shares, pursuant to which conversions the Company issued 1,150,217 ordinary shares at a weighted average exercise price of $1.83.

Pursuant to the 2023 Accreditor Investor SPAs, The Company issued 2023 Accreditor Investor Warrants which are exercisable into 1,412,925 ordinary shares. The 2023 Accreditor Investor Warrants are exercisable until January 1, 2027 for an exercise price equal to the closing price of the ordinary shares as of the respective issuance dates of the 2023 Accreditor Investor Warrants and have a weighted average exercise price of $2.43. The exercise of the 2023 Accreditor Investor Warrants will be limited to the extent that, upon their exercise, a 2023 Accreditor Investor and its affiliates would in the aggregate beneficially own more than 4.99% of the Company's ordinary shares.

The loans described above includes a conversion options. According to IAS 32, the conversion option is classified as financial liability, as the conversion rate does not comply with the fixed-to-fixed requirements since the conversion ratio to ordinary share is not fixed and depend on the share price of the Company.

The instrument as a whole constitutes a hybrid contract that include non-derivative host contract ("the loan") and embedded derivative (the conversion option).

At the date of the transaction, the Company allocated the total loan consideration to the conversion options at fair value in the amount of $4,779 thousand and the remaining amount in the total amount of $10,604 thousand is attributed to the loan. Since the fair value of the embedded derivatives exceeds the total loan consideration, the difference between the fair value and the loan consideration is deferred and recognized in according to the straight-line method over the course of the loan.

After the initial recognition, at each period end date, the conversion option is measured at fair value and all changes in fair value are recognized through profit or loss. The loan is measured according to the effective interest method.

b. Warrants Liability

In February 2023, at the effective time of the Reverse Recapitalization (the "Effective Time"), each unit of RNER (a "RNER Unit") issued and outstanding immediately prior to the Effective Time automatically detached and the holder of each such RNER Unit became deemed to hold one RNER Share and one warrant of RNER entitling the holder to purchase three-fourths of one RNER Share per warrant at a price of $11.50 per whole share (exercisable only for whole shares) (each, a "RNER Warrant").

In addition, each RNER Share issued and outstanding immediately prior to the Effective Time automatically converted into the right to receive 0.899 Company ordinary shares, and each RNER Warrant issued and outstanding immediately prior to the Effective Time converted into the right to receive 0.899 warrants of the Company (a "New Warrant") subject to downward adjustment to the next whole number in case of fractions of warrants. A total of 1,604,383 New Warrants to purchase three-fourths of one HUB ordinary share were issued to holders of the RNER warrants, of which 53,599 warrants are private warrants and the remaining 1,550,784 warrants are public warrants. As a result of this conversion the New Warrants' and reverse stock split the exercise price increased to $127.9 per whole share.

The warrants were classified as financial liability and measured at fair value as of the issuance date. After the initial recognition, at each period end date, the warrants measured at fair value and all changes in fair value are recognized through profit or loss.

During the year ended December 31, 2023, no warrants were exercised into ordinary shares of the Company.

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

c. Fair Value Measurement

The carrying amounts of cash and cash equivalents, restricted cash, restricted bank deposit, trade receivables, other account receivables, inventories, other short term loans, trade payables, other payables and other long term loans approximate their fair values due to the short-term maturities of such instruments.

The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis as of December 31, 2023 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	December 31, 2023		
	Level 1	**Level 2**	**Level 3**
Public warrants	217	-	-
Private warrants	-	-	5,830
Conversion component of convertible loans	-	-	4,215
Total	217	-	10,045

As of December 31, 2022, the Company did not have any instrument measured at fair value.

The Company classifies its Public Warrants as Level 1 based on quoted market price in active markets.

The Company measures the fair value of Private Warrants by the Black-Scholes model, which are classified as Level 3.

The Company measures the fair value of Conversion component of convertible loans and options by using a Black-Scholes and Monte Carlo simulation models. All of those components are classified, as Level 3, due to the use of unobservable inputs.

The key inputs into the Black-Scholes model for the private warrants were as follows:

	December 31, 2023
Risk-free interest rate	3.91%
Expected term (years)	4.17
Expected volatility	86.60%
Exercise price	103.39
Underlying share price	2.17

The key inputs into the Black-Scholes or Monte Carlo simulation models for the Conversion component of convertible loans were as follows:

Shyana- February Loan Agreement -Monte Carlo- Conversion component

Input

	December 31, 2023
Risk-free interest rate	4.38%
Expected term (years)	1.15
Expected volatility	132.85%
Underlying share price	2.17

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

Shyana- February Loan Agreement -Black Scholes- option

Input

	December 31, 2023
Risk- free interest rate	4.27%
Expected term (years)	2
Expected volatility	124.9%
Exercise price	0.5
Underlying share price	2.17

Shyana- June Loan Agreement -Monte Carlo- Conversion component

Input

	December 31, 2023
Risk- free interest rate	4.34%
Expected term (years)	1.45
Expected volatility	122.86%
Underlying share price	2.17

Shyana- July Loan Agreement -Monte Carlo- Conversion component

Input

	December 31, 2023
Risk- free interest rate	4.33%
Expected term (years)	1.52
Expected volatility	121.43%
Underlying share price	2.17

Shyana- July Loan Agreement -Black Scholes- option

Input

	December 31, 2023
Risk- free interest rate	4.33%
Expected term (years)	2
Expected volatility	124.9%
Exercise price	0.76
Underlying share price	2.17

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

Lind- Conversion component

Input

	December 31, 2023
Risk- free interest rate	5.09%
Expected term (years)	0.5
Expected volatility	157.17%
Underlying share price	2.17

Lind-Black Scholes- option

Input

	December 31, 2023
Risk- free interest rate	3.9%
Expected term (years)	4.35
Expected volatility	112.38%
Exercise price	3.5
Underlying share price	2.17

AGP- Conversion component

Input

	December 31, 2023
Risk- free interest rate	5.13%-5.19%
IRR	20.63%

Vendor- Conversion component

Input

	December 31, 2023
Risk- free interest rate	5.13%-5.19%
IRR	20.63%

NOTE 17:- (.FINANCIALS LIABILITIES (Cont

The following table presents the changes in the fair value of liabilities:

	Public Warrants	Private Warrants	Conversion Component	Total
Fair value as of December 31, 2022	-	-	-	-
Warrants issued in related to the RNER transaction	2,639	71	-	2,710
Issuance of conversion component related to the convertible loans.	-	-	4,779	4,779
Issuance of warrants related to the convertible loans	-	3,781	-	3,781
Conversion of convertible loans into ordinary shares	-	-	(1,427)	(1,427)
Change in fair value	(2,466)	1,928	785	247
Adjustments arising from translating financial statements from functional currency to presentation currency	44	50	78	172
Fair value as of December 31, 2023	217	5,830	4,215	10,262

NOTE 18:- FINANCIAL INSTRUMENTS

a. Financial assets:

Financial assets at amortized cost:

	December 31,	
	2023	2022
	USD in thousands	
Trade and other assets	14,950	25,729
Restricted bank deposit	61	1,516
Total current assets	15,011	27,245
Long-term deposit	328	3,002
Total non-current assets	328	3,002

b. Other financial liabilities:

Other financial liabilities at amortized cost:		
Short-term loans (1)	11,878	13,432
Convertible loans	14,449	-
Trade payables	9,867	13,771
Other accounts payable	32,427	25,322
Liabilities for government grants	412	1,289
Total other financial liabilities at amortized cost	69,033	53,814
Total current liabilities	68,886	52,927
Total non-current liabilities	147	887

(1) The interest rate is Prime (Bank of Israel intrabank plus 1.5%) + 0.7%-4.85%.

c. Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, are comprised of loans and borrowings, receivables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and short-term deposits that derive directly from financing rounds and convertible loans.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company established a financial risk committee that advises senior management on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

NOTE 18:- FINANCIAL INSTRUMENTS (Cont.)

d. Financial risks factors:

The Group's activities expose it to various financial risks such as market risks (foreign currency risk, interest risk and price risk), credit risk and liquidity risk. The Group's comprehensive risk management plan focuses on activities that reduce to a minimum any possible adverse effects on the Group's financial performance.

Risk management is performed by the Company's CEO.

1. Exchange rate risk:

The Group operates internationally and is therefore exposed to exchange rate risk arising from exposure to various foreign currencies, mainly the USD and the Euro. Exchange rate risk arises from future commercial contracts, recognized assets and liabilities that are denominated in a foreign currency other than the functional currency and net investments in foreign operations.

2. Credit risk:

As of December 31, 2023, cash and cash equivalents amounted to $3,522 thousand. The entire cash and cash equivalents are invested with high quality financial institutions. The Company and the subsidiaries monitor customer debts on an ongoing basis and include specific allowances for doubtful accounts which adequately reflect the loss inherent in debts whose collection is doubtful as per the estimate of the Company and the subsidiaries.

3. Liquidity risk:

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and loans (see also Note 1d).

4. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term liabilities with floating interest. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans (see also note 1d).

e. Fair value:

The carrying amount of cash and cash equivalent, trade receivables, other accounts receivable, short-term bank credit, trade payables and other accounts payable approximates their fair value.

NOTE 19:- NET EMPLOYEE DEFINED BENEFIT LIABILITIES

Employee benefits consist of post-employment benefits and other long-term benefits.

Post-employment benefits:

According to the labor laws and Severance Pay Law in Israel, the Company is required to pay compensation to an employee upon dismissal or retirement or to make current contributions in defined contribution plans pursuant to section 14 to the Severance Pay Law, as specified below. The Company's liability is accounted for as a post-employment benefit. The computation of the Company's employee benefit liability is made according to the current employment contract based on the employee's salary and employment term which establish the entitlement to receive the compensation.

The post-employment employee benefits are normally financed by contributions classified as defined benefit plan or as defined contribution plan, as detailed below.

a. Defined contribution plans:

Section 14 to the Severance Pay Law, 1963 applies to part of the compensation payments, pursuant to which the fixed contributions paid by the Group into severance pay funds and/or policies of insurance companies release the Group from any additional liability to employees for whom said contributions were made. These contributions and contributions for benefits represent defined contribution plans.

	Year ended December 31,	
	2023	2022
	USD in thousands	
Expenses in respect of defined contribution plans	2,264	2,562

b. Defined benefit plans:

The Group accounts for that part of the payment of compensation that is not covered by contributions in defined contribution plans, as above, as a defined benefit plan for which an employee benefit liability is recognized and for which the Group deposits amount in central severance pay funds or accrue for such provision (when the deposits are not made on time) in qualifying insurance policies.

NOTE 19:- NET EMPLOYEE DEFINED BENEFIT LIABILITIES (Cont.)

c. Changes in the defined benefit obligation and fair value of plan assets:

2023

	Expenses recognized in profit or loss							Gain (loss) from remeasurement in other comprehensive income					Contributions		
	Balance as of January 1, 2023	Current service cost	Net interest expense	Past service cost and effect of settlements	Total expense recognized in profit or loss for the period	Payments from the plan	Return on plan assets (excluding amounts included in net interest expenses)	Actuarial gain (loss) arising from changes in demographic assumptions	Actuarial gain (loss) arising from changes in financial assumptions	Actuarial gain (loss) arising from experience adjustments	Total effect on other comprehensive income for the period	Effect of changes in foreign exchange rates	by employer	by plan's participants	Balance as of December 31, 2023
	NIS in thousands														
Defined benefit obligation	3,163	152	150	(212)	90	(36)	-	-	(24)	36	12	(94)	-	-	3,135
Fair value of plan assets	(2,123)	-	(104)	111	7	29	(109)	-	-	-	(109)	60	(130)	-	(2,266)
Net defined benefit liability (asset)	1,040	152	46	(101)	97	(7)	(109)	-	(24)	36	(97)	(34)	(130)	-	869

2022

	Expenses recognized in profit or loss							Gain (loss) from remeasurement in other comprehensive income					Contributions		
	Balance as of January 1, 2022	Current service cost	Net interest expense	Past service cost and effect of settlements	Total expense recognized in profit or loss for the period	Payments from the plan	Return on plan assets (excluding amounts included in net interest expenses)	Actuarial gain (loss) arising from changes in demographic assumptions	Actuarial gain (loss) arising from changes in financial assumptions	Actuarial gain (loss) arising from experience adjustments	Total effect on other comprehensive income for the period	Effect of changes in foreign exchange rates	by employer	by plan's participants	Balance as of December 31, 2022
	NIS in thousands														
Defined benefit obligation	4,838	198	120	-	318	(1,376)	-	-	(258)	151	(107)	(511)	-	-	3,163
Fair value of plan assets	(3,398)	-	(56)	9	(47)	927	228	-	-	-	228	355	(187)	-	(2,123)
Net defined benefit liability (asset)	1,440	198	64	9	271	(449)	228	-	(258)	151	121	(156)	(187)	-	1,040

NOTE 19:- NET EMPLOYEE DEFINED BENEFIT LIABILITIES (Cont.)

d. The principal assumptions underlying the defined benefit plan:

	2023	2022
	%	
Discount rate (1)	5.57	5.22
Expected rate of salary increase	3.19	3.21

(1) The discount rate is based on high-quality CPI-linked corporate bonds.

e. Amount, timing and uncertainty of future cash flows:

	Change in defined benefit obligation
	USD in thousands
December 31, 2023	
Sensitivity test for changes in the expected rate of salary increase:	
The change as a result of:	
1% salary increase	(28)
1% salary decrease	360
Sensitivity test for changes in the discount rate of the plan assets and liability:	
The change as a result of:	
1% increase in discount rate	379
1% decrease in discount rate	(49)

NOTE 20:- EQUITY

a. Effective from March 2023, the Company's shares were split in a ratio of 1:0.712434. In addition, effective December 15, 2023, the Company's shares were reverse split in a ratio of 10:1 As a result, all ordinary shares, options for shares, warrants to purchase ordinary shares, exercise price and net loss per share amounts were adjusted retroactively for all periods presented in these consolidated financial statements as if the stock split had been in effect as of the date of these consolidated financial statements.

c. Composition of share capital:

	December 31, 2023		December 31, 2022	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares in thousands			
Ordinary shares with no par value	142,487	11,853	142,487	8,879

d. Movement in share capital:

1. Issued and outstanding share capital:

	Number of shares of no par value in thousands
Balance as of January 1, 2023	8,879
Issuance of shares	2,848
Exercise of options and warrants	126
Balance as of December 31, 2023	11,853

2. Shares issued :

1. SPAC

As for the accounting treatment of the Reverse Recapitalization in respect of the transaction with RNER, see Note 1c above.

In February 2023, at the effective date of the Reverse Recapitalization, the Company issued 453,320 ordinary shares and 1,604,383 warrants.

NOTE 20:- EQUITY (Cont.)

2. PIPE

On March 23, 2022, concurrently with the execution of the business combination agreement, the Company entered into the Subscription Agreements with certain investors (the "PIPE Investors"), pursuant to which the PIPE Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such PIPE Investors, an aggregate of 5,000,000 ordinary shares at $10.00 per share for gross proceeds of approximately $50,000 thousand (the "PIPE Financing") on the Closing Date. The PIPE Financing did not consummate at closing of the Reverse Recapitalization as the PIPE Investors failed to remit payment for the shares to be purchased.

In March 2023, the Company received approximately $4,000 thousand of the $50,000 thousand in proceeds from the PIPE Financing and issued approximately 40,000 shares in respect thereof. While the Company is considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain if the Company will be able to receive the remaining PIPE funds.

3. 2022 Investors

- In October 2022, the Company signed investment agreements with different investors for a total of 91,192 shares in the price of NIS 86.3 ($24.7) – each unit includes 1 ordinary share with no par value and one warrant with an exercise price of NIS 94.9 ($26). The warrants vested immediately upon issuance and will be exercisable for 30 months from the respective date of issuance. The aggregate amount raised through this private offering was approximately NIS 7,900 thousand ($2,250 thousand) with an issuance cost of $224 thousand. According to the terms of the investment agreement, the Company has 45 days from the closing date to issue the shares to the investors or otherwise it would need to repay it with an additional 10% interest. The actual issuance of shares took place on February 2023, and therefore as of December 31, 2022, the total investment amount was classified as a liability. The shares were issued during February 2023.

4. Investors Settlement Agreement

In order to settle various claims by the Company past investors, several allocations were made during 2023 to such past investors. Such allocations were as follows:

- Elyakim Shmuel Baruch Kislev – 20,000 shares (pre-split) were allocated.

- Lior Tamar Investments – 25,000 shares (pre-split) were allocated.

NOTE 20:- EQUITY (Cont.)

5. ELOC - Equity Line of Credit

On March 28, 2023 the Company and Dominion Capital LLC ("Dominion"), the manager of RNER's sponsor, entered into a firm commitment for an ELOC, which is an equity line instrument whereby the Company, subject to the terms in the equity purchase agreement, may issue up to $100,000 thousand of the Company's ordinary shares over the course of 36 months. In consideration for Dominion's commitment to purchase the Company's ordinary shares, upon execution of the equity purchase agreement, the Company issued to Dominion 100,000 of the Company's ordinary shares. Expense of $1,570 thousands related to these shares was recognized within other expenses in the Company's consolidated statements of profit and loss. As of December 31, 2023 the Company did not meet the terms in the Equity purchase agreement and no shares were issued under the equity purchase agreement.

In addition, Dominion advanced the Company an aggregate amount of $2,500 thousand upon closing of the Reverse Recapitalization, as the upfront commitment. In connection with the firm commitment for the equity line of credit, the Company and Dominion entered into a senior secured demand promissory note (the "Secured Promissory Note") to evidence the Company's obligation to repay the equity line of credit commitment. The Secured Promissory Note will bear interest at a rate of 10% per annum and is due on demand. The Company failed to meet the contractual terms of the Secured Promissory Note. As a result, the Company is required to pay Dominion an interest rate of 24% immediately.

6. Lind

During November and December 2023, pursuant to Lind SPA as described in Note 17(1)(a) Lind converted an aggregated amount of $4,800 thousand into 2,215,373 ordinary shares.

7. Accredited Investors

During 2023, pursuant to Accredited Investor Notes as described in Note 17(1)(c) certain Accredited Investors converted an aggregated amount of $1,300 thousand into 1,150,217 ordinary shares.

8. Warrants exercise

During the year ended December 31, 2023, 13,001 warrants were exercised into 13,001 ordinary shares of the Company for total consideration of $233 thousand.

NOTE 20:- EQUITY (Cont.)

c. Rights attached to shares:

i. Quoted on the TASE. As of March 1, 2023, the Company began trading on NASDAQ.

ii. Voting rights at the general meeting, right to receive a dividend and rights upon liquidation of the Company.

d. Warrants classified as equity:

The Company has 1,507,231 registered and outstanding warrants that are exercisable into 1,507,231 ordinary shares of NIS no par value each for an average exercise increment of $22.32. These warrants are classified in equity.

During the year ended December 31, 2023, 13,000 warrants were exercised into 13,000 ordinary shares for a total consideration of $234 thousand.

e. Treasury shares - Company shares held by the Company:

The interests of the Company in the Company's shares are as follows:

	December 31,	
	2023	2022
	%	
% of issued share capital	0.54	1.0

f. Capital management in the Company:

The Company's capital management objectives are:

1. To preserve the Group's ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.

2. To ensure adequate return for the shareholders by pricing of products and services that is adjusted to the level of risk in the Group's business activity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of its activity and its current and future liquidity constraints. To maintain or adjust the required capital structure, the Company may apply various measures such as adjust the dividend payment to shareholders, raise capital by way of issue of shares, capital purchases from shareholders and disposal of assets to reduce its debts.

NOTE 21:- SHARE-BASED PAYMENT

a. Expenses recognized in the financial statements:

The expense recognized in the financial statements for services received from employees and officers is shown in the following table:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Equity-settled share-based payment plans	7,115	10,516	5,897

b. Grants of options to employees and interested parties:

As part of the business combination agreement described in Note 1b above, on June 21, 2021, the Company allocated 1,781,085 share options to senior officers, employees and consultants of the Company and to an investment bank assisting the transaction, consisting of grants to employees, key management personnel and interested parties. Following are data of the value of share options granted to key management personnel and interested parties in HUB.

1. 2022 Share option plans:

The Company has authorized through its 2022 Share Option Plan (the "Plan"), an available pool of ordinary shares of the Company from which to grant options and RSUs to officers, directors, advisors, management and other key employees of up to 1,068,651 ordinary shares. The options granted generally have a four-year vesting period and expire ten years after the date of the grant, subject to the terms set forth in the Plan. Options granted under the Plan that are cancelled or forfeited before expiration become available for future grant. As of December 31, 2023 there are no options available for future grants.

2. On February 27, 2023, the Company granted to a service provider 128,238 share options for an exercise price of NIS 4.2 ($1.2) per share. The options were fully vested at the grant date, and exercisable for 36 months.

The inputs used for the fair value measurement of the share options for the above grant based on the Black and Scholes model are as follows:

Expected volatility of the share prices (%)	80.03%	
Risk-free interest rate (%)	4.02%	
Expected life of share options (years)	9.66	
Share price (NIS)	8.29	$ (2.26)

Based on the above inputs, the fair value of the options on the grant date is approximately NIS 10,378 thousand ($2,826 thousand).

NOTE 21:- SHARE-BASED PAYMENT (Cont.)

c. Movement of share options during the year:

The following table presents the changes in the number of share options and the weighted average exercise prices of share options:

	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Share options outstanding at beginning of year	844,148	16.02	1,139,102	6.93
Share options granted during the year	128,238	1.14	29,650	18.61
Share options exercised during the year	145,874	12.8	161,187	4.69
Share options forfeited during the year	9,553	0.04	144,686	12.30
Share options expired during the year	445,384	17.91	18,731	0.65
Share options outstanding at end of year	371,575	10.01	844,148	15.94
Share options exercisable at end of year	359,688	9.95	781,073	16.54

Each option is exercisable into one ordinary share of no par value.

The weighted average remaining contractual life for the share options outstanding as of December 31, 2023 was 4.09 years.

The range of exercise prices for share options outstanding as of December 31, 2023 was NIS 0.14- NIS 67.48 ($0.04-$18.6).

After the reporting date, no warrants expired.

A summary of the status of RSUs under the Plan as of December 31, 2023 and changes during the relevant period ended on that date is presented below:

	Number of RSU
Outstanding at beginning of year	457,137
Granted*	1,697,743
Vested	278,580
Forfeited and cancelled	260,605
Outstanding at end of year	1,615,695

* This includes shares granted with performance obligations which were not fulfilled as of December 31, 2023.

NOTE 21:- SHARE-BASED PAYMENT (Cont.)

The total equity-based compensation expense related to all of the Company's equity-based awards recognized for the years ended December 31, 2023, 2022 and 2021, was comprised as follows:

	Year ended December 31,		
	2023	2022	2021
Cost of revenues	35	206	-
Research and development expenses	3,010	603	3,122
Sales and marketing expenses	211	1,504	2,775
General and administrative expenses	3,859	8,203	-
Total share-based payment	7,115	10,516	5,897

NOTE 22:- COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES

a. Charges:

To secure its liabilities to banks, the Group recorded a floating charge on its entire assets and a fixed charge on share capital and goodwill and all other assets and rights of any type or kind that the Company has or will have in the future. The balance of the amounts pledged under said charge amounts to $1,788 thousand as of December 31, 2023 (December 31, 2022 – $1,575 thousand) in order to receive guarantees in an aggregate of $1,839 thousand.

The Company also recorded a charge in respect of a mortgage on vehicles, on the entire rights the mortgagers have and will have in the future from insuring the mortgaged vehicle, whether by the mortgagers or by banks, and on any right to compensation or indemnification the mortgagers will have towards a third party.

Moreover, to receive credit by a subsidiary, the Company and the subsidiary recorded a senior charge on the mortgagers' rights in connection with a contract signed on September 6, 2012 with the Israeli Ministry of Defense as a result of a tender published by the Ministry for the procurement of training courses, including the entire collaterals and guarantees granted to the mortgagers for securing the above rights and all the rights related to said rights.

b. Guarantees:

As of December 31, 2023, the consolidated statement of financial position includes bank guarantees totaling approximately to $1,839 thousand that have been granted to customers and suppliers in connection with tender-based performance contracts and office lease.

c. Contingent liabilities:

The Company is and may be subject to various legal proceedings, contingencies and claims that arise in the course of business, including some claims from current or former employees, as well as governmental and other regulatory investigations and proceedings. If determined adversely to the Company, then such claims could cause the Company to be subject to fines, penalties, and other contingencies.

There is no pending litigation or proceeding against any of HUB Security's office holders as to which indemnification is currently being sought, and, except as described below, HUB Security is not aware of any pending or threatened litigation, the outcome of which, the Company believes, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, operating results, cash flows or financial condition or may result in claims for indemnification by any office holder. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

NOTE 22:- COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

The below is a brief summary of the litigation and other proceedings the Company is currently facing:

1. Insurance reimbursement claim–- During May 2018, a company named Rotem filed to the District Court in Tel Aviv an Insurance reimbursement claim against approximately 16 defendants, with HUB Security being among them, with respect to damages caused by a fire in the plaintiff's factory. The Company's management based on its legal advisors believes that its liability with regards to this claim seems remote and possesses insurance coverage to cover any liabilities that may arise from this case.

2. Contract Tender Litigation–- On March 29, 2022, two plaintiffs petitioned the District Court in Tel Aviv for certification of a class of plaintiffs in a class action suit against the Company and seven individuals serving as its officers and directors as of such date. The request for certification is based on a delay in HUB's making a public announcement of the cancellation of a contract tender whose award to HUB had been previously announced. The canceled contract represented revenue to HUB of NIS 800 thousand (approximately $250 thousands) per year, and HUB's previous announcement stated that the contract tender would have a material effect on its 2022 financial results. HUB was notified of the cancellation of the award of the tender on the afternoon of Wednesday, March 23, 2022, which was the same day that HUB announced its execution of the Business Combination Agreement. HUB reported the cancellation of the award on Sunday, March 27, 2022. The applicable rules of the Tel Aviv Stock Exchange (TASE) and the Israel Securities Authority, require announcements of this kind to be made not later than the trading day following a Company's receipt of the relevant information. Friday is not a trading day on the TASE, so HUB's report can be said to have been made one day late. The price of HUB's ordinary shares on the TASE fell by approximately 35% on March 27, 2022.

   The plaintiff's request to the court cites total damages at NIS 229,000 thousand (approximately $70,000 thousand). On October 20, 2022, the amount claimed was reduced from NIS 229,440 thousand to NIS 5,440 thousand (approximately $1,480 thousand).

   On January 30, 2023, the amount requested was increased to NIS 64,000 thousand. On February 2, 2023, a partial judgment was issued in which the motion to withdraw against the directors was approved, leaving the motion pending against the Company and its former Chief Executive Officer only. The answer to the amended approval request was submitted by September 3, 2023, and the response by the plaintiffs was submitted on October 22, 2023.

   Though the Company believes that the request for certification on this claim will be denied by the court, and that it has strong defenses to any class action that may ultimately be allowed to proceed, there can be no assurance that a court will not find the Company liable for significantly greater amounts. At this stage of the proceedings, it is not possible to assess the chances of the application being accepted or rejected in part or in full. A court's finding of significant liability against us could negatively affect our share price and have a material effect on our business and financial condition. The hearings were conducted on May 22-23, 2024, and at the court's suggestions a mediator was appointed on June 16, 2024 in order to attempt to reach a settlement between the parties. Two mediation meetings were conducted separately with each party on July 7, 2024 and on July 9, 2024. On August 7, 2024 the appointed mediator announced that the yield a settlement not yield a settlement.

3. Request for disclosure of documents according to Section 198A of the Companies Law– On February 8, 2023, Mr. Yuval Lev (the "Petitioner") filed a motion for discovery under Section 198A of the Companies Law (the "Discovery Motion") against the Company in the District Court in Tel Aviv in connection with a claim concerning the Company's release of the Clover Wolf Fund from its obligation to participate in the PIPE Financing. On April 4, 2023, the Petitioner filed an amended motion for discovery (the "Amended Discovery Motion") in which it demanded the disclosure of an exhaustive list of documents relating to the PIPE Financing, asserting that the Company's alleged actions demonstrate a violation of the duties of care and trust imposed on the officers and the directors of the Company by the Companies Law, 1999, as well as an alleged basis for pursuing legal action against additional third parties. On April 10, 2024, the Company filed a response to the Amended Discovery Motion in which it requested that the confidentiality of certain items of its response be maintained. The court subsequently determined that temporary confidentiality would be maintained and ordered the Petitioner to respond to the Company's response by September 8, 2024. The preliminary hearing is set for November 7, 2024. At this preliminary stage, it is not possible to assess the chances of the Amended Discovery Motion being granted.

NOTE 22:- COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

4. A similar motion to for disclosure of documents according to section 198a of the Companies Law was filed on July 7, 2024, by Mr. Uri Dahan (the "Petitioner") under Section 198A of the Companies Law (the "Discovery Motion") against the Company in the District Court in Tel Aviv in connection with a claim concerning the Company's release of the Clover Wolf Fund from its obligation to participate in the PIPE Financing. On July 8, 2024 the Court ruled that due to the similarities to the Lev motion detailed above, the Petitioner will discuss its position with the petitioner in the Lev Discovery Motion and report back to the Court. On July 28, 2024, the Court ruled that the Petitioner should provide to the court further details regarding its attempt to receive information from Lev, and stated that it is likely that the court would instruct both petitioners to share the details of their motions with each other.'

5. PIPE Financing Litigation–- On March 6, 2023, Mr. Maj'haj Avner (the "Applicant") filed a class action certification motion (the "Motion to Certify") against the Company and eight additional respondents in the District Court in Tel Aviv, alleging that the Company's public announcement that it received irrevocable investment commitments as part of the PIPE Financing was false. The Applicant seeks to represent anyone who purchased the Company's ordinary shares after the announcement of the Reverse Recapitalization in March 2022 until the end of February 23, 2023, which was the last trading day of the Company's ordinary shares on the TASE. The Applicant claims personal damages in the amount of NIS 50,752, while the claim for the alleged damage for the members of the affected group was valued at a total of more than NIS 2,500 thousand. The Motion to Certify also asserts that the Company's alleged actions demonstrate a violation of the duties of care and trust imposed on the officers and the directors of the Company by the Companies Law, a violation of disclosure obligations under the Israeli Securities Law, and a violation of other statutory duties. On January 30, 2024, eight respondents filed a motion to dismiss outright the Motion to Certify (the "Motion to Dismiss") as well as a Motion to extend the deadline for filing the Company's response to the Motion to Certify. The court ultimately rejected the Motion to Dismiss at a hearing on March 24, 2024. On June 2, 2024, eight respondents filed their response to the Motion to Certify in which they requested that the confidentiality of certain items of its response be maintained which request was subsequently granted by the court. On July 2, 2024, the Applicant responded to the response filed by the eight respondents and on July 9, 2024, sent the eight respondents a demand for disclosure of documents (the "Disclosure Request"). At a hearing held on July 10, 2024, the court recommended that three respondents be removed from the Motion to Certify and the Applicant waive all cause of action that do not relate to the Securities Law which recommendations the Applicant subsequently adopted. At the same hearing, the court ordered five of the respondents to respond to the Disclosure Request by August 11, 2024 and that if the Applicant does not receive a satisfactory response to the Disclosure Request by such date, the Applicant should submit to the court a motion for discovery of documents by September 1, 2024, to which the respondents would be required to respond by September 30, 2024. The Company was also instructed to inform the court by September 23, 2024, if it still stands by its motion regarding confidentiality. A preliminary hearing was set for November 4, 2024.

6. Oppenheimer Suit - On June 12, 2023, Oppenheimer & Co., Inc. ("Oppenheimer") filed a claim against the Company in the United States District Court for the Southern District of New York alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company's business combination with Mount Rainier Acquisition Corp. The complaint alleges that the Company owes Oppenheimer in excess of $12,000 thousand (as well as its costs and legal fees associated with the claim) with regards to the business combination, pursuant to a financial advisory agreement entered into by and between Oppenheimer and the Company in December 2021. The Company is in discussions with Oppenheimer regarding settlement of this case.

7. *Dominion Capital Suit* - In December 2023, Dominion Capital LLC, a sponsor of the SPAC, Mount Rainier Acquisition Corp., sued the Company in a New York State Court alleging that the Company failed to repay $2,500 thousand that the sponsor allegedly disbursed to the Company pursuant to a promissory note. The sponsor asserts that it is entitled to damages in the amount of the loan principal plus interest and attorneys' fees. The Company is defending itself vigorously. In the same action, the Company countersued the sponsor alleging various misconduct aimed at harming the Company. The sponsor moved to dismiss the Company's counterclaim on the grounds that the Company has failed to state a claim against it. The Court granted the sponsor's motion to dismiss. The Company is evaluating the Court's decision and potential grounds for appeal.

NOTE 22:- COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

8. *Dominion Insolvency Petition* – On April 10, 2024, Dominion Capital LLC, based upon the lawsuit filed in New York, submitted to the Tel Aviv District Court a petition to declare the Company insolvent. No response has yet been submitted. The preliminary hearing is set for October 7, 2024.

9. All Ways Gateport Ltd. - On November 6, 2023, All Ways Gateport Ltd submitted to the Tel Aviv District Court a petition to declare the Comsec Disribution Ltd. (a subsidiary of the Company) insolvent due to an paid debt of USD 71,615. No response has yet been filed and a hearing is scheduled for September 29, 2024.

10. Class Action Suit – HUB Cyber Security Ltd. 1:23-cv-05764 (S.D.N.Y.): This case consolidates into one securities class action the complaints filed in the cases styled Efrat Investments LLC et al. v. Hub Cyber Security Ltd., and Green v. Hub Cyber Security Ltd. f/k/a Hub Cyber Security (Israel) Ltd., et al. This action names the Company and current and former officers and directors of the Company (including Eyal Moshe, Hugo Goldman, Uzi Moscovich, Zeev Zell, Moshe Raines, Manish Agarwal, and Moti Franko, "Individual Defendants") as defendants (collectively, "Class Action Defendants"). Certain shareholders—individuals and entities that purchased or otherwise acquired Company securities pursuant to and/or traceable to the offering materials issued in connection with the Transaction—have alleged that the Class Action Defendants made material misstatements and omissions in the offering materials issued in connection with the Transaction. The shareholders have alleged that the offering materials incorrectly stated that Hub Cyber Security (Israel) Ltd. had secured a committed financing arrangement, contained material misstatements and omissions concerning the Company's internal controls and misuse of Company funds, and contained materially misleading information concerning the Company's product. The shareholders seek damages from the Class Action Defendants and/or tender their shares to Class Action Defendants for recovery of the consideration paid therefor. The Company is defending itself vigorously, and has moved to dismiss the action on the grounds that the shareholders lack standing to sue and have failed to state a claim against the Company.

11. *Employee Claims* - Two of the Company's former US employees filed claims in the cumulative amount of approximately $350 thousand in the aggregate related to lost wages, amounts due pursuant to employment agreements and unlawful termination. The claims have since been settled.

    Additionally, a few former Israeli employees filed a claim in the Tel Aviv Labor Court:

    (a) A former employee filed a claim against Comsec Ltd. (a subsidiary of the Company) in the amount of NIS 847 thousand alleging unlawful termination and entitlement to various employment rights, including, but not limited to, unlawful termination compensation, severance pay, advanced notice compensation, and bonuses according to the employment agreement. On December 26, 2023, Comsec submitted its statement of defense, denied, and rejected the plaintiff's claims and demands. A preliminary hearing occurred on March 13, 2024. The plaintiff filed an affidavit with the court on May 27, 2024 and Comsec is required to submit an affidavit by September 15, 2024.

    (b) An additional former Israeli employee filed a claim in the Tel Aviv Labor Court against the Company in the amount of NIS 272 thousand. The plaintiff alleges that this amount is owed to him due to violation of the employment agreement signed with him. The plaintiff claims a signing bonus that he claims was not paid to him, an unconditional quarterly bonus including social benefits for him, and the registration of 20,000 RSUs in his name, compensation for bad faith and misrepresentation. A preliminary hearing is set for February 2, 2025. The deadline for filing a statement of defense has been postponed to September 15, 2024.

    (c) An additional former employee filed a claim on July 23, 2024 with regards to alleged missing pension and social benefits payments, in the aggregated amount of NIS 17 thousand. A statement of defense is scheduled to be filed by the Company by October 6, 2024, and a settlement in the claim is expected to be reached by that date.

NOTE 22:- COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

d. Services Agreement: A-Labs Finance and Advisory Ltd **("**A-Labs**")**

In July 2021, the Company entered into a Financial Advisory Services Agreement (the "A-Labs Agreement") with A-Labs Finance and Advisory Ltd. ("A-Labs"), pursuant to which, the Company engaged A-Labs to perform, on an exclusive basis, certain consultation services in the domain of fundraising from investors and capital markets activities. In return for these services the Company committed to pay A-Labs a fee amounting to 5% of any funds raised from investors named on a specified schedule thereto, along with warrants to purchase the Company's ordinary shares computed as 5% of the raised amount divided by the price per share as determined in the relevant fundraising transaction. During the term of the A-Labs Agreement, the Company paid a total of $4,200 thousand to A-Labs as commission for funds raised and issued to A-Labs a total of 4,076,923 warrants to purchase the Company's ordinary shares.

In addition, pursuant to the Agreement, the Company agreed to pay to A-Labs a monthly payment of $70,000 and an additional sum designated as a "Marketing (in the sense of Capital markets fundraising activities) Budget", of up to $280 thousand. The Marketing Budget was aimed for attracting investors to buy the Company's shares, for capital fundraising and capital markets activities and is to be reviewed monthly based on the activities and efforts conducted by A-Labs for the Company.

Additionally, pursuant to the A-Labs Agreement, for the period of 12 months following the specification of such business partner in an annex to the A-Labs Agreement, the Company is obligated to pay to A-Labs a fee equal to 5% of any non-refundable and recognized revenues that the Company received from such specified business partners. To date, A-Labs has not pursued any efforts related to the development of these business relationships and as a result no fees have been paid to A-Labs pursuant to this provision of the A-Labs Agreement.

During the period from July 2021 through March 2023, the Company paid to A-Labs a total of $4,200 thousand in cash. The Company sees part of these payments as an incremental and direct cost for attracting investors and raising capital, therefore the Company capitalized the relevant portion of these payments and deduct it from the Share capital and premium in the Consolidated Statements of Changes in Equity, upon the occurrence of its financing rounds.

Additionally, in March 2023, a total amount of $2,200 thousand that was owed to A-Labs pursuant to the A-Labs Agreement was converted into the Company's ordinary shares at a conversion price of $10 per ordinary share. This conversion of amounts the Company owed to A-Labs under the A-Labs Agreement, was affected to partially satisfy the commitment that A-Labs made to purchase $20,000 thousand of the Company's ordinary shares in the PIPE Financing.

In December 2022, the Company amended the A-Labs Agreement to provide that for each financing transaction closed, in addition to paying a commission to A-Labs in cash, the Company would be required to issue warrants to purchase ordinary shares in an amount equal to the cash consideration that would otherwise be payable under the A-Labs Agreement divided by 4.81, which warrants shall be exercisable for 4 years and at an exercise price of NIS 4.81 (regardless of the price per share paid by investors in the relevant financing transaction).

Additionally, the Company committed to provide compensation under the A-Labs Agreement for all investors with whom the Company would enter into a financing transaction prior to the Company's shares being listed for trading on the Nasdaq regardless of whether such investors were introduced to the Company by A-Labs.

In each of September 2022 and January 2023, the Company paid to A-Labs an additional commission of $50 thousand in exchange for extra services provided by A-Labs over the course of certain fund raising efforts and loan issuances. Additionally, as part of the Shayna Loans (as defined below), the Company paid to A-Labs commissions totaling $140 thousand for services provided as part of the fund raising efforts.

The term of the A-Labs Agreement was for 12 months following the execution in July 2021, provided that the A-Labs Agreement will automatically renew for additional 12 month terms unless either Party provides written notice to the other Party of its intention not to renew at least 30 days prior to the end of such initial 12 month term or any renewed terms. Additionally, the A-Labs Agreement may be terminated by either party upon a minimum of 30 days prior written notice.

In August 2023, the Company has received from A-Labs a waiver of the retainer fees for the services.

NOTE 23:- INVESTMENTS IN INVESTEES

a. Investment in ALD Software:

On December 28, 2007, the Company signed an agreement with ALD Software whereby on the record date, January 1, 2008, the Company transferred and sold to ALD Software the software department operation, free of any debt, liability, charge, foreclosure, mortgage, lien or any third party right, other than the liability to the IIA, as a result of which on the transaction completion date, ALD Software will become the legal owner of the software department operation and its underlying rights. The Company holds 98.63% of ALD software.

b. Investment in Qpoint:

On May 26, 2010, the Company signed an agreement for investing in Qpoint, which is engaged in IT and software testing. According to the agreement, after the investment is made, the Company will hold 46.52% of Qpoint's issued and outstanding share capital on a fully diluted basis and will have the power to determine Qpoint's financial and operational policies, among others by having veto rights on budgets, capital raising, financing, dividend distribution and appointing the CEO and CFO, this since each of the two other shareholders in Qpoint had provided the Company an irrevocable proxy for about 7% each of Qpoint's ordinary shares owned by them, conferring the Company about 60% of the voting rights in general meetings. Consequently, the Company consolidates Qpoint in its financial statements from the second quarter of that year. The Company's total investment in Qpoint amounted to NIS 1,200 thousand ($312 thousand), paid in instalments over three quarters after the closing date. On July 1, 2010, with the completion of the Qpoint acquisition transaction, the Company was allocated 174 shares of Qpoint, conferring the Company 46.52% of Qpoint's issued and outstanding share capital on a fully diluted basis. In April 2024, after the balance sheet date, the Company acquired the remaining shares of Qpoint. Following this acquisition, the Company holds 100% of Qpoint.

As part of the investment agreement, the parties signed a service agreement according to which the Company will grant Qpoint various services such as comprehensive accounting, marketing, management, administration and office maintenance. In return, Qpoint will pay the Company management fees of 3%. This agreement remains in effect as long as the Company holds 25% of Qpoint's share capital.

f. Acquisition of Comsec Ltd.:

On September 27, 2021, the Company signed an agreement for the purchase of the entire issued and outstanding share capital, on a fully diluted basis, of Comsec Ltd. ("Comsec"), including owners' loans and capital notes (collectively – "the securities"), from Eldav Investments Ltd. ("the seller"). In return for the securities, the Company paid NIS 70,000 thousand ($21,848 thousand) ("the purchase price"), of which NIS 40,000 thousand ($12,484 thousand) in cash and NIS 30,000 thousand ($9,363 thousand) in Company shares. The purchase price was paid to the seller upon closing.

Comsec was a private company that provides cybersecurity consulting, design, testing and control services and sells data security and cybersecurity software and hardware solutions by itself and through its subsidiaries in Israel and overseas. In the first half of 2021, Comsec completed the technological development of a cyber automation solution and began marketing and profiting from its internally developed D-Storm product.

The acquisition transaction was completed on November 17, 2021 and from that date, the Company consolidated the financial statements of Comsec in the consolidated financial statements, see also Note 5.

NOTE 24:- ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
a. Cost of revenue:			
Salaries and related expenses	28,098	29,972	11,506
Subcontractors and consultants	8,359	12,980	8,658
Depreciation, amortization and impairment	4,757	1,659	372
Material	-	461	3,701
Impairment expenses	-	438	-
Other	693	401	474
	41,907	45,911	24,711
b. Research and development expenses:			
Salaries and related expenses	6,879	5,201	5,468
Other	298	406	328
	7,177	5,607	5,796
Less – government grants	(1,291)	(33)	-
	5,886	5,574	5,796
c. Sales and marketing expenses:			
Salaries and related expenses	4,239	7,972	1,910
Advertising and public relations	236	306	37
Depreciation, amortization and impairment	6,026	12,688	727
Other	193	708	9
	10,694	21,674	2,683
d. General and administrative expenses:			
Salaries and related expenses	8,409	16,089	4,844
Depreciation and amortization	1,463	1,680	884
Office Maintenance	1,392	1,410	303
Consulting	16,716	16,627	1,149
Legal expenses	2,713	2,157	411
Impairment expenses	10,643	14,618	-
Audit and accounting	773	1,418	249
Insurance	1,622	26	(45)
Board fees	1,168	396	131
Other	4,273	2,850	1,473
	49,172	57,271	9,313

NOTE 24:- ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS (Cont.)

		Year ended December 31,		
		2023	2022	2021
		USD in thousands		
e.	Other expenses, net:			
	Governmental grants income	(1,159)	-	-
	ELOC	1,570		
	RNER listing expenses	12,312	-	-
		12,723	-	-
f.	Finance income and expenses:			
	Finance income:			
	Gain from exchange rate differences	271	19	-
	Interest income	213	450	5
		484	469	5
	Finance expenses:			
	Loss from exchange rate differences	-	-	105
	Bank fees	109	145	105
	Changes in fair value of financial instruments	247	-	-
	Interest expenses	6,838	1,239	86
		7,194	1,384	296

NOTE 25:- TAXES ON INCOME

Tax laws applicable to the Group companies:

Income Tax (Inflationary Adjustments) Law, 1985:

According to the law, until 2007, the results for tax purposes were adjusted for the changes in the Israeli CPI.

In February 2008, the Knesset (Israeli parliament) passed an amendment to the Income Tax (Inflationary Adjustments) Law, 1985, which limits the scope of the law starting 2008 and thereafter. Since 2008, the results for tax purposes are measured in nominal values, excluding certain adjustments for changes in the Israeli CPI carried out in the period up to December 31, 2007. Adjustments relating to capital gains such as for sale of property (betterment) and securities continue to apply until disposal. Since 2008, the amendment to the law includes, among others, the cancellation of the inflationary additions and deductions and the additional deduction for depreciation (in respect of depreciable assets purchased after the 2007 tax year).

NOTE 25:- TAXES ON INCOME (Cont.)

a. Tax rates applicable to the Group companies:

The Israeli corporate tax rate was 23% in 2023, 2022 and 2021.

A Company is taxable on its real capital gains at the corporate income tax rate in the year of sale.

In August 2013, the Law for Changing National Priorities (Legislative Amendments for Achieving Budget Targets for 2013 and 2014), 2013 ("the Budget Law") was published. The Law includes, among others, provisions for the taxation of revaluation gains effective from August 1, 2013. The provisions regarding revaluation gains will become effective only after the publication of regulations defining what should be considered as "retained earnings not subject to corporate tax" and regulations that set forth provisions for avoiding double taxation of foreign assets. As of the date of approval of these financial statements, these regulations have not been published.

b. Principal tax rates applicable to subsidiaries resident outside of Israel:

Company incorporated in the United States – tax rate of 25%.

Company incorporated in the United Kingdom – tax rate of 19%.

Company incorporated in the Netherland – tax rate of19%.

c. Final tax assessments:

The Company and its subsidiaries had tax assessments through the 2017 tax year, and are deemed final.

d. Carryforward tax losses:

The Company has business losses that can be carried forward totaling approximately $140,542 thousand. The Company did not create deferred taxes in respect of these business losses and other temporary differences as it does not expect to generate taxable income in the foreseeable future.

NOTE 25:- TAXES ON INCOME (Cont.)

e. Deferred taxes:

Composition and movement in deferred taxes:

	In non-current liabilities (1)	In non-current assets (1)
	USD in thousands	
Balance as of January 1, 2022	(4,734)	3,469
Charged to profit or loss	787	215
Adjustments arising from translating financial statements from functional currency to presentation currency	515	(413)
Balance as of December 31, 2022	(3,432)	3,271
Charged to profit or loss	1,725	(1,686)
Adjustments arising from translating financial statements from functional currency to presentation currency	132	(126)
Balance as of December 31, 2023	(1,575)	1,459
As shown on balance sheet (2):	(116)	-

(1) The deferred taxes are computed at a tax rate of 23%.

(2) The deferred tax shown above is not netted off within companies. The balance sheet shows the net position.

f. Taxes on income included in profit or loss:

	Year ended December 31,		
	2023	2022*	2021*
	USD in thousands		
Current taxes	210	131	197
Deferred taxes	(39)	(1,039)	65
Tax previous years	-	132	-
	171	(776)	262

* Comparative figures including the discontinued operation results.

NOTE 25:- TAXES ON INCOME (Cont.)

g. Theoretical tax:

The reconciliation between the tax expense, assuming that all the income and expenses, gains and losses in profit or loss were taxed at the statutory tax rate and the taxes on income recorded in profit or loss, is as follows:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Loss before taxes on income	(84,435)	(80,739)*	(13,153)*
Statutory tax rate	23%	23%	23%
Tax computed at the statutory tax rate	(19,420)	(18,570)	(3,025)
Increase (decrease) in taxes on income resulting from the following factors:			
Different tax rate applicable to foreign subsidiary	(2)	(225)	1
Utilization of carryforward losses for which no deferred taxes were computed in the past	(98)	-	(32)
Other losses and temporary differences for which no deferred taxes were computed	19,026	17,699	3,433
Tax previous years	-	132	-
Other, net	665	225	93
Taxes on income	171	(739)	470

* Comparative figures including the discontinued operation results.

NOTE 26:- NET LOSS PER SHARE

In computing diluted loss per share for year ended December 31, 2023, no account was taken of the potential dilution that could occur upon the exercise of employee and investors stock options, amounting to 362 thousand and 6,330 thousand, respectively, since they had an anti-dilutive effect on loss per share.

NOTE 27:- BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES

a. Balances with interested and related parties:

December 31, 2023

	For details see Note	Directors	Key management personnel
		USD in thousands	
Other accounts payable	15	200	18
Loan		66	

In addition, as described in note 29(7), the Company provided a loan to blackswan, a company that one of its board members is the Company's Chief Executive Officer.

December 31, 2022

	For details see Note	Controlling shareholder	Key management personnel
		USD in thousands	
Other accounts payable	15	40	25

NOTE 27:- BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

b. Salaries and benefits to interested and related parties:

	Year ended December 31,		
	2023	2022	2021
	USD in thousands		
Cost of sales, research and development expenses, sales and marketing expenses and general and administrative expenses, net:			
Salary and related benefits to CEO and director employed by the Company (controlling shareholder) including cost of share-based payment (1)	132	-	-
Fees of directors not employed by the Company including cost of share-based payment (7)	566	312	289
Salary and related benefits to formerly Deputy CEO including cost of share-based payment (2)	811	3,872	1,571
Salary and related benefits to the former VP Human Resources including cost of share-based payment (4)	28	1,140	544
Salary and related benefits to formerly Chairman of the Board including cost of share-based payment (3) (6)	-	2,355	832
Salary and related benefits to formerly Deputy CEO and COO including cost of share-based payment (5) (6)	-	1,777	803
	1,537	9,456	4,039

(1) Relates to the cost of employment of Mr. Noah Hershkovitz, director of the Company as of October 3, 2023 and CEO of the Company as of December 4, 2023.

(2) Relates to the cost of employment of Mr. Uzi Moskowitz director and former CEO in the Company, who no longer serves as the CEO of Company since December 4, 2023. and Eyal Moshe former director and former CEO of the Company who is also controlling shareholder in the Company, excluding any misappropriates expenses. Mr. Moshe ceased his role as CEO on February 2, 2023, and his employment was terminated effective July 24, 2023 for cause in connection with these unauthorized expenses.

(3) Relates to the cost of employment of Dr. Zigmund Bluvband, formerly the Chairman of the Company's Board. Dr. Zigmund no longer works at the Company since April 30, 2022.

(4) Relates to the cost of employment of Ms. Ayelet Bitan, Chief of Staff in the Company and the spouse of Mr. Eyal Moshe, a controlling shareholder in the Company, excluding any allegedly misappropriated expenses as detailed in Note 1e. Ms. Bitan resigned in February 2023.

(5) Relates to the cost of employment of Mr. Dotan Moshe, former Deputy CEO and COO in the Company, who is also the son-in-law of Dr. Zigmund Bluvband. Mr. Dotan no longer works at the Company since May 15, 2022. In February 2023 he began consulting the Company.

(6) Key management personnel.

(7) Other interested and related parties.

* The salary and related benefits amounts including the additional expenses of the extension in 2022 of the expiry date of options as detailed in note 18f.

Mr. Hershkoviz holds 9.99% of one of the Company service providers. Therefore, any decision regarding A-Labs transactions will require special approval.

NOTE 27:- BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

c. Transactions with interested and related parties:

Year ended December 31, 2023

	Controlling shareholder	Key management personnel	Other interested and related parties	Total
	USD in thousands			
General and administrative expenses	141	829	566	1,537
	141	829	566	1,537

Year ended December 31, 2022

	Controlling shareholder	Key management personnel	Other interested and related parties	Total
	USD in thousands			
General and administrative expenses	5,012	4,132	312	9,456
	5,012	4,132	312	9,456

Year ended December 31, 2023

	For details see Note	Directors	Key management personnel
		USD in thousands	
Other accounts payable	15	223	18
Highest balance of current debts during the year	-	66	-

Year ended December 31, 2022

	For details see Note	Controlling shareholder	Key management personnel
		USD in thousands	
Other accounts payable	15	40	25
Highest balance of current debts during the year	-	0	-

NOTE 28:- SEGMENTS

a. Business segments – chief reporting:

The operating segments are identified on the basis of information that is reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Group is organized into two operating segments based on the products and services of the business units and has operating segments as follows.

1. Product and Technology Segment – the Company develop and market integrated cybersecurity hardware/software solutions that allow organizations to protect their RAM or confidential computing data to create a reliable work environment the Company offers data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and fully managed corporate cybersecurity services.

2. Professional Services Segment – the Company offers data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and fully managed corporate cybersecurity services. These segments share a unified product development, operations, and administrative resources.

Revenues and part of the expenses are allocated directly to business segments whereas joint expenses are not allocated to segments. The assets and liabilities that are not allocated consist of joint operational assets and liabilities that are shared by the various operating segments. The Company deems it is impractical to separate them. Segment asset and liability performances and segment income (loss) are estimated based on the operating income (loss) presented in the financial statements.

Below is data relating to business segments – before the business combination date (see Note 1 above), the Company reported its business operations under a single segment of products and technology.

	Year ended December 31, 2023			
	Professional services	Products and technology	Unallocated*	Total
	USD in thousands			
Revenues from external customers	41,589	1,068	-	42,657
Total revenues	41,589	1,068	-	42,657
Segment results (operating loss)**	(30,690)	(33,153)	(13,882)	(77,725)
Finance expenses, net				6,710
Loss before taxes on income				(84,435)

* Expenses related to RNER merger transaction)see Note 5) and ELOC (see Note 20).

** In the year ended December 31, 2023, the Company recorded impairment of goodwill and intangible assets related to professional service and product and technology segments in the amount of $12,735 thousand and $2,523 thousand, respectively.

NOTE 28:- SEGMENTS (Cont.)

	Year ended December 31, 2022			
	Professional services	Products and technology	Unallocated*	Total
	USD in thousands			
Revenues from external customers	48,263	1,739	-	50,002
Total revenues	48,263	1,739	-	50,002
Segment results (operating loss)	(21,582)	(43,019)	(15,829)	(80,430)
Finance expenses, net				(915)
Loss before taxes on income				(81,345)

* Expenses related to a merger transaction in 2022.

b. Geographical segments:

Below is revenue by country, based on customer location - before the business combination date (see Note 1 above) geographical segments were not analyzed due to immateriality (most of the Company revenues and the carrying amounts of non-current assets are in the Company's country of domicile (Israel)):

Year ended December 31, 2023

	Israel	America	Europe	Asia Pacific	Total
	USD in thousands				
Revenues	40,364	334	1,669	290	42,657

Main customers:

	USD in thousands
Turnover with main customers (1):	
Customer A	7,602
Customer B	4,726
	12,328

(1) Customers in the professional services segment.

	% of total sales
Customer A	17.82%
Customer B	11.07%
	28.89%

NOTE 28:- SEGMENTS (Cont.)

Year ended December 31, 2022

	Israel	America	Europe	Asia Pacific	Total
	USD in thousands				
Revenues	46,386	339	2,983	294	50,002

Main customers:

	Year ended December 31, 2022
	USD in thousands
Turnover with main customers (1):	
Customer A	10,257
Customer B	6,706
	16,963

	% of total sales
	2022
Customer A	21%
Customer B	13%
	34%

NOTE 29:- SUBSEQUENT EVENTS

1. Tomas Gottdiener

In March-June 2024, the Company sold to an accredited investor (the "March-June 2024 Investor"), in a series of unregistered private transactions, notes (the "March-June 2024 Notes") with an aggregate principal amount of $10,000 thousand, and warrants (the "March-June 2024 Warrants") pursuant to a Securities Purchase Agreement entered into with the March-June 2024 Investor (the "March-June 2024 Purchase Agreement"). The Company's acquisition of Qpoint was partially funded by proceeds the Company received pursuant to the March-June 2024 Purchase Agreement.

The loan amount under the March-June 2024 Notes is repayable by the Company on the earlier of (i) August 10, 2024 with respect to 40% of the loan amount and September 24, 2024 with respect to the remaining 60% of the loan amount, or (ii) five (5) business days following the closing of a financing in the Company of at least $25,000 thousand. The principal amount under the March-June 2024 Notes carries a variable interest rate based on the date of repayment as follows: (a) with respect to $8,000 thousand of the principal amount, (i) for the principal amount repaid on or prior to May 12, 2024, 7%, (ii) for the principal amount repaid following May 12, 2024 and on or prior to June 12, 2024, a rate between 7% and 8.5% of such principal amount computed by adding to 7% the result obtained by multiplying 1.5 by the quotient of the number of days elapsed in such period until (and including) the repayment date divided by the number of days in such period, and (iii) for the principal amount repaid following June 12, 2024, 8.5% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following June 12, 2024 and ending on the repayment date; and (b) with respect to $2,000 thousand of the principal amount, (i) for the principal amount repaid on or prior to September 24, 2024, 10%, and (ii) for the principal amount repaid following September 24, 2024, 10% of such principal amount plus 15% per annum, on the basis of the actual number of days elapsed commencing from the date following September 24, 2024 and ending on the repayment date.

If the March-June 2024 notes are not repaid prior to the applicable maturity date, the March-June 2024 Investor may convert the applicable portion of the outstanding loan amount into the Company's ordinary shares at a rate equal to the arithmetic average of the closing price of the ordinary shares in the five trading days prior to the date of conversion, provided that such conversion rate shall not be lower than $0.50. The loan amount is secured by a pledge on the shares of the Qpoint group. Additionally, for so long as the loan amount under the March-June 2024 Notes is outstanding, the Company has undertaken to cause the Qpoint group to adopt a dividend policy and designate dividend proceeds for the repayment of the loan amount.

The March-June 2024 Warrants issued under the March-June 2024 Purchase Agreement are exercisable as follows: (i) March-June 2024 Warrants exercisable into 4,444,444 ordinary shares are exercisable at an exercise price equal to $0.70 per share until March 12, 2027, (ii) March-June 2024 Warrants exercisable into 4,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until April 3, 2027, (iii) March-June 2024 Warrants exercisable into 1,000,000 ordinary shares are exercisable at an exercise price equal to $0.50 per share until June 26, 2027 and (iv) March-June 2024 Warrants exercisable into 2,000,000 ordinary shares are exercisable at an exercise price equal to $0.70 per share until June 26, 2027.

NOTE 29:- SUBSEQUENT EVENTS (Cont.)

The conversion of the March-June 2024 Notes and the exercise of the March- June 2024 Warrants will be limited to the extent that, upon the conversion or exercise, the March-June 2024 Investor and its affiliates would in aggregate beneficially own more than 4.99% of the ordinary shares.

In March 2024, the Company entered into Securities Purchase Agreements (the "Second 2023-2024 Accreditor Investor SPAs") providing for the sale by the Company to certain accredited investors (the "Second 2023-2024 Accreditor Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $550 thousand (the "Second 2023-2024 Accreditor Investor Notes"), and warrants exercisable into between 0.50 and one ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the Second 2023-2024 Accreditor Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "Second 2023-2024 Accreditor Investor Warrants"). The aggregate principal amount of the Second 2023-2024 Accreditor Investor Notes is convertible into the Company's ordinary shares at a rate equal to the arithmetic average of the volume-weighted average price of the ordinary shares in the five (5) trading days prior to the date of conversion, provided that such conversion rate would not be lower than $1.50. The Second 2023-2024 Accreditor Investor Notes do not bear interest and are repayable on March 14, 2027, subject to earlier conversion by the Second 2023-2024 Accreditor Investors. The Second 2023-2024 Accreditor Investors have the right to convert the Second 2023-2024 Accreditor Investors Convertible Notes, in whole or in part, at any time following their issuance. Pursuant to the Second 2023-2024 Accreditor Investor SPAs, the Company issued Second 2023-2024 Accreditor Investor Warrants which are exercisable into 200,000 ordinary shares. The Second 2023-2024 Accreditor Investor Warrants are exercisable until September 14, 2025 for an exercise price of $1.50. The exercise of the Second 2023-2024 Accreditor Investor Warrants will be limited to the extent that, upon their exercise, a Second 2023-2024 Accreditor Investor and its affiliates would in the aggregate beneficially own more than 4.99% of the Company's ordinary shares.

2. Dominion

A Schedule 13D was jointly filed by (i) Dominion Capital LLC, a Connecticut limited liability Company ("Dominion"), (ii) DC Rainier SPV LLC, a Delaware limited liability Company, (iii) Dominion Capital Holdings LLC, a Delaware limited liability Company, (iv) Mikhail Gurevich and (v) Gennadiy Gurevich (collectively, the "Reporting Persons") with the Securities and Exchange Commission on March 18, 2024 (the "Schedule 13D Filing") with respect to the Reporting Persons' beneficial ownership of shares of Hub Cyber Security Ltd. (the "Company"). In the Schedule 13D Filing, the Reporting Persons made several inaccurate statements regarding the Company. Notably, they alleged that on February 14, 2024, Dominion commenced insolvency proceedings against the Company under Israeli law. Contrary to this claim, the Company has not received any related motion at the time. The Company has filed a counterclaim against Dominion in the commercial litigation proceedings between the parties in the United States referenced in the Schedule 13D Filing. The Company maintains the right to hold the Reporting Persons accountable for their malicious and detrimental actions aimed at harming the Company.

The claim by Dominion to initiate insolvency proceedings was actually filed by Dominion in Israel on April 9, 2024.

NOTE 29:- SUBSEQUENT EVENTS (Cont.)

3. Qpoint Acquisition

On April 3, 2024 the Company acquired for NIS 25,000 thousand in cash the shares of Qpoint. Payments were agreed to be carried out in three installments as follows: (i) NIS 4,000 thousand on the signing date; (ii) NIS 16,000 thousand on the closing date (which was April 8, 2024); (iii) an additional NIS 5,000 thousand no later than February 10, 2025 (of which NIS 2,500 thousand was already paid by June 5, 2024).

Following this acquisition the Company holds 100% of Qpoint. This acquisition is strategically aligned with the Company's mission to establish a leading global secure data fabric ecosystem. Qpoint, boasting a diverse customer base of over 100 renowned brand clients, including partnerships with Rafael Advanced Defense Systems, the developer of the "Iron Dome", the Israel Airport Authority and the Ministry of Defense of Israel.

Qpoint, which was established in 2009, comprises five subsidiaries and provides solutions and consulting across various verticals, including innovative data management and security solutions. The strategic integration enhances HUB's capabilities in safeguarding sensitive information across various sectors.

4. Debt Arrangement with Comsec Creditors and Vendor Settlement

The Comsec Group total liabilities sum up to NIS 55,000 thousand, but this amount is divided between different groups of creditors with different priorities, and includes provisions for employee's vacation days, social benefits, liabilities for other subsidiaries and debts that their settlement is already happening. The Company assesses that it can pay 30% out of the total outstanding debt (i.e. " Hair cut" of 70%) over a period of 3 years, on a quarterly basis and negotiations for a settlement agreement with the creditors are currently in an advanced phase.

Comsec and the Company have reached a settlement agreement with a vendor, which is one of the creditors, and whose debt is also covered by a guarantee by the Company.

According to the settlement agreement, a vendor will receive an amount of NIS 13,656 thousand according to the following payment schedule:

(i) NIS 5,000 thousand until April 7, 2024

(ii) NIS 4,328 thousand until May 15, 2024

(iii) NIS 4,328 thousand until July 15, 2024

As the Company was guarantor to the debt to a vendor, the Company has paid the first two payments, and is expected to pay the third one as well.

NOTE 29:- SUBSEQUENT EVENTS (Cont.)

5. Amendments to Convertible Loan Agreements with Shayna

Following the sale of most of the rights of Shayna LP ("**Shayna**") under the Convertible Loan Agreement to Akina Holding Limited ("**Akina**") in an Agreement dated March 3, 2024 (after a previous sale agreement between Shyana and Pey Capital Pte Ltd. was cancelled)

First Amendment – March 31, 2024

- An agreed upon conversion price: Shayna and Akina (who purchased from Shayna most of its rights under the Convertible Loan Agreement) will be entitled to convert the loan amounts in their entirety, for up to a total of 5,129,375 shares for the entire Loans (calculated under an agreed USD/NIS rate of 3.65, and at a conversion price of $0.9), of which Akina will be entitled to receive 3,897,455 shares, and Shayna will be entitled to receive 1,231,920 shares.

- Warrant coverage: total warrant coverage for the entire loan amounts, with the same number of shares and division between Akina and Shayna as detailed above, and an exercise price of $0.9.

- Limitation on Beneficial Ownership: standard clause limiting each of Shayna and Akina to 4.99%.

- Condition to effectiveness: only when duly approved by the Board of Directors of the Company, at its sole discretion

Second Amendment – April 18, 2024

- Shyana and Akina agreed that in case Akina defaults on its payment schedule to Shayna, then Shyana will be entitled to assume all of Shyana's rights to convert any outstanding amount of the Loan to shares

- The Company agreed that upon receiving such written notice of default from Shyana, and in the absence of a contradictory judicial injunction within 7 days, to allocate to Shayna any outstanding amount of the Loan, upon receipt of a written conversion notice from Shayna

Third Amendment – May 9, 2024

converting the cash payment of $1,151 thousand for Consulting Fee for under the Convertible Loan Agreements, to 1,278,666 ordinary shares of the Company (calculated under a conversion rate of $0.9) and 1,278,666 Warrants (with an Exercise Price of $0.8 and an exercise period of up to 6 months); and (ii) Approving the sale of Shyana rights under the Convertible Loan Agreements to receive certain converted shares and to exercise certain warrants from Shayna to the Lender

NOTE 29:- SUBSEQUENT EVENTS (Cont.)

6. SPA with Akina Holding Limited

The Company has signed an SPA with Akina on May 9, 2024 the principal conditions of which are as follows:

(i) Investment Amount – up to $5,000 thousand;

(ii) Price Per Share - $1.00;

(iii) 50% Warrant Coverage;

(iv) Warrants Exercise Price Per Share - $1.00 (equal to share purchase price per share);

(v) Warrants have a 12 months expiration date.

7. Credit Line to Blackswan

The Company entered into a Loan and Security Agreement with Blackswan Technologies, Inc., a Delaware corporation ("BST"), with an effective date of December 4, 2023 (the "BST Loan Agreement"). Under the BST Loan Agreement, the Company may make, at its sole discretion, cash advances to BST, from time to time, until June 30, 2024, in an aggregate principal amount of up to $6,000 thousand.

The principal amounts the Company lends to BST under the BST Loan Agreement accrue interest at a fixed rate per annum equal to fifteen percent (15%) and are repayable on January 1, 2025, provided that BST has the right to prepay the any outstanding loan amounts upon at least two days prior notice. Upon the occurrence of certain customary events of default, any outstanding loan amounts are immediately repayable and overdue obligation will carry interest at a fixed rate per annum equal to eighteen percent (18%).

The Company has provided to Blackswan an aggregated amount of $2,012 thousand under the BST Loan Agreement, of which $1,023 thousand was provided until December 31, 2023, while $299 thousand were recorded as selling and marketing expenses and $724 presented as part of long-term receivables. In addition, $990 thousand was provided after that date.

Exhibit 1.2

Companies Ordinance
A share limited company
Memorandum of Association
of
Hub Cyber Security Ltd. *(originally written in Hebrew)*
Hub Cyber Security Ltd. (originally written in English)

1. Name of the company: Hub Cyber Security Ltd. *(originally written in Hebrew)*

Hub Cyber Security Ltd. (originally written in English)

2. The goals for which the company was founded are:

(a) Consulting, development, research in any field, including logistics.

(b) To conduct scientific, technical, mechanical, and other tests, analyzes and experiments.

(c) To perform any action that in the opinion of the company's managers will be for the benefit of the company and augment its profits.

(d) To edit, publish, print any scientific technical literature in all fields of science.

(d1) Engage in all areas of teaching, including training and developing education and study programs.

(e) To manage any business of capital owners, property owners, concession holders, financiers, agents, messengers, brokers, stabilizers and contractors, to undertake, manage and carry out any financial and investment business.

(f) To borrow funds, obtain them and ensure their disbursement in the same manner that the company deems appropriate, and in particular - but without detracting from the generality of the aforementioned - by mortgaging he company's lands and other immovable assets of the company, and/or providing ascending and descending liens and/or fixed and special and mortgages on any part of its lands and other assets, all or part thereof, in the present and in the future, and to redeem and dispose of any such mortgage, encumbrance, or pledge. The company shall also be entitled to ensure the disposal of funds it has borrowed or will borrow by issuing bonds and a stock of bonds new and others, and ensure their payment by pledging any part of the company's land and other assets, all or part thereof, in the present and in the future, including unpaid up share capital, in a lien of any kind without any restriction, and to redeem, buy and release bonds or stock bonds of or any encumbrance as mentioned above.

(g) To lend money and to give advances or credit and to guarantee the debts and contracts of those people, firms and companies and on the same terms as the company deems appropriate, and in particular to customers and other people who have business with the company, and to give guarantees and serve as a guarantor for those people, firms or companies, and to receive from those that the company will lend them money or give them credit or provide them guarantees all kinds of guarantees and securities as the company deems appropriate, including - but without detracting from the generality of the said - a mortgage, an ascending-decreasing lien and a permanent lien on any property of any kind, lands and chattels and to release and waive all above guarantees and collateral and redeem them under the same conditions as the company deems appropriate.

(h) To engage in any business of trade, import, export, transport, supply, market, distribution, exploitation, mediate and handling of technical and mechanical equipment, instruments, devices, work tools, craft tools, accessories, receptacles, packaging, raw materials , components, products, goods and materials, of any kind and type and for any use.

(i) To engage in research, search and discovery of natural treasures and their exploitation, to conduct research in connection therewith, and to own, manage, finance, organize, employ research institutions, laboratories and expeditions.

(j) To engage in transport and transportation and any means of transport and transportation of any kind and type.

(k) To request, register, buy or acquire in any other way or obtain rights to use or test, protect, extend and renew, in Israel or abroad, all kinds of patents, patent rights, invention authorizations, licenses, protections, concessions (hereinafter - "Patent Rights") which, in the opinion of the company, can bring it benefit, as well as use Patent Rights, work in accordance with them, use them in any way, make any agreement and perform any action in connection with Patent Rights, and sell and otherwise transfer Patent Rights and grant licenses and privileges in connection with Patent Rights.

(l) To engage in all scientific, technical, mechanical and other tests, experiments and trials, including for the purpose of enhancing them and to attempt to enhance all inventions and Patent Rights to which the company will be entitled, or to use them or acquire them for itself or wish to acquire them for itself.

(m) to request, obtain, acquire, hold, maintain, utilize, sell and transfer in any part of the world, patterns, production processes, knowledge, professional secrets, permits, licenses, possessions, franchises, leases and rights and benefits of any kind to the benefit of the company or which authorizes or enables her to engage in the businesses she is authorized to engage in.

(n) To enter into agreements with any government or authority, whether central, municipal, local or otherwise, in any part of the world, in a manner deemed beneficial to the purposes of the company, all or in part, and to obtain from any such government or authority any right, surplus right or franchise that the company deems useful to obtain, utilize or perform.

(o) To take the same measures that the company deems appropriate to give publicity to its operations and enterprises, and especially by advertising in newspapers, on the radio and in other ways, by circulars, holding exhibitions and publishing brochures, and by giving prizes and grants.

(p) To buy or otherwise acquire and receive any business - both as an existing business and otherwise - and any property, assets, reputation, rights and obligations of any person or company if this may benefit the company, or promote any matter that is within any of the company's goals.

(q) Establish and found, or participate in the establishment or foundation of any company, so that it acquires or assumes upon itself, in whole or in part, the property, rights and obligations of this company, and for any other purpose which, in the opinion of this company, may assist, directly or indirectly, to this company, to promote any matter that is within the scope of any of the goals of this company.

(r) unite or merge with any company.

(s) enter into a partnership or an agreement for the purpose of sharing profits, pooling profits or collaborating with any person or company that performs or is entitled to perform a business or businesses that the company is authorized to perform.

(t) sell and transfer the company's plant, in whole or in part, for the same consideration that the company deems appropriate, and in particular in exchange for shares, bonds or other securities, to another company whose goals, in whole or in part, are similar to the company's goals.

(u) to enter into any contract or agreement, and to sign any document, deed, contract and agreement, as part of the company's goals.

(v) to insure the company, its property, facilities, plants and operations, all or in part, against any damages, loss, risk or liability.

(w) to invest and manage the company's funds that are not immediately needed for its business in the same manner as the company will determine from time to time.

(x) To distribute its assets, all or some, among its members in kind, provided that the distribution of the assets will not result in a capital reduction that is not in accordance with the Companies Ordinance.

(y) To give allowances, grants and prizes, to its employees and managers, or to those who were its employees or managers and their families, and the company may also found or support and assist in the opening of schools, educational institutes, science or trading companies, whether these institutions and companies are related to the company's business or they do not have any such connection, and the company may also establish and finance clubs or other institutions for the benefit of the company's business or for the pleasure of its employees or managers.

(z) To engage in order to achieve any of the goals mentioned above and by virtue of this Memorandum of Association - to do them in Israel, to accept all the actions that the company is entitled to - by virtue of the law in any part of the world, and to do in any country and place they are in the world itself, to fulfill and carry out any trade or business - which in the company's opinion, assists in advancing any matter that is within the scope of any of the company's goals.

(bb) to carry out all those actions related to or involving the goals included in this Memorandum of Association, expressly or impliedly, or that may lead to the achievement of the aforementioned goals, in whole or in part.

(cc) To carry out all of the above actions, or some of them, both in Israel and outside of Israel, in all parts of the world, either as owners or as agents, contractors or trustees or in any other way, either by itself or in partnership with others, and through agents, contractors or trustees or by others.

(dd) And it was hereby agreed and declared that in this Memorandum of Association the following terms - both if the terms appear in the Memorandum of Association itself and if they appear in the Second Schedule to the Companies Ordinance - will have the following interpretations: -

"man" or "person" - including a company or corporation.

"company" or "corporation" - includes, to the extent that this term does not refer to the current company, any other company, cooperative society, any other association, body politic, collective or legal, or partnership or group of persons, whether incorporated or unincorporated.

"land" - includes any right in the land or in relation to it, whether the right can be registered or not, and includes buildings and plantings and everything connected to the land.

(ee) It is also hereby agreed and declared that, except in those cases that are expressly written otherwise in this Memorandum of Association, each of the purposes and each of the authorities of action detailed in each of the sub-sections of this section, including - taking into account the provisions of sub-section (aa) of this section in each of the sections of the Second Schedule to the Companies Ordinance, these are main goals and independent of each other, and that they should not be limited or reduced in any way by drawing conclusions from any one sub-section of this section or from any other section of the Second Addendum to the Companies Ordinance, or from the name of the company or by relying on it.

3. Members' liability is limited.

4. The company's share capital is 100,000,000
Divided into 100,000,000 ordinary shares without par value

Exhibit 2.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

HUB Cyber Security Ltd. has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: ordinary shares and two classes of warrants to purchase ordinary shares. References herein to "we," "us," "our" and the "Company" refer to HUB Cyber Security Ltd. and not to any of its subsidiaries. The following description may not contain all of the information that is important to you, and we therefore refer you to our amended and restated articles of association (our "Articles"), a copy of which is filed with the Securities and Exchange Commission ("SEC") as an exhibit to this annual report on Form 20-F ("Annual Report").

ORDINARY SHARES

Share Capital

Our authorized share capital consists of 100,000,000 ordinary shares, no par value. All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any pre-emptive rights.

Our board of directors may determine the issue prices and terms for such shares or other securities, and may further determine any other provision relating to such issue of shares or securities. We may also issue and redeem redeemable securities on such terms and in such manner as our board of directors shall determine.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 51-102937-3. Our affairs are governed by our Articles of Association (the "Articles"), applicable Israeli law and specifically, the Companies Law. Our purpose as set forth in the Articles is to carry on any business and to engage in any lawful act or activity.

Voting Rights

All ordinary shares have identical voting and other rights in all respects.

Transfer of Shares

Our fully paid ordinary shares are issued in registered form and may be freely transferred under the Articles, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of the Nasdaq. The ownership or voting of ordinary shares by non-residents of Israel is not restricted in any way by the Articles or the laws of the State of Israel, except for ownership by nationals of some countries that are, have been, or expected to be, in a state of war with Israel.

Election of Directors

Under the Articles, the board of directors must consist of not less than three (3) but no more than eleven (11) directors. Each director is elected by a simple majority vote of the ordinary shares participating and voting at a general meeting of shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of its shareholders, and serve on the board of directors until the third annual general meeting following such election or re-election or until they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events in accordance with the Companies Law and the Articles. In addition, the Articles, provides that the board of directors of may fill vacancies on the board of directors to appoint new directors up to the maximum number of directors permitted under the Articles, by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in the Articles, until the next annual general meeting of shareholders for the election of the class of directors to which such director was assigned by our board of directors.

Dividend and Liquidation Rights

We may make "distributions", as such term is defined in the Companies Law (which definition includes the payment of dividends and a company's repurchase of its outstanding shares) to the holders of ordinary shares in proportion to their respective shareholdings, subject to certain limitations imposed by the Companies Law. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. The Articles do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to the company's most recently reviewed or audited financial statements (less the amount of previous distributions, if not reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If a company does not meet such criteria, then it may make distributions only with court approval. As we are a Nasdaq-listed company, court approval is not required for our repurchase of our shares, provided that we notify our creditors of the proposed repurchase and allow such creditors an opportunity to initiate a court proceeding to review the repurchase. If within 30 days such creditors do not file an objection, then we may proceed with the repurchase. In each case, we are only permitted to make the distribution if our board of directors and, if applicable, the court, determines that there is no reasonable concern that such distribution will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of the Company's liquidation, after satisfaction of liabilities to creditors, its assets will be distributed to the holders of ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights which may be authorized in the future.

Registration Rights

Certain of our shareholders are entitled to certain registration rights under the terms of our Registration Rights Agreement. For a discussion of such rights, see "*Related Party Transactions – Registration Rights Agreement*" in our Annual Report.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that at the time are, or have been, in a state of war with Israel.

Shareholder Meetings

Under Israeli law, we are required to hold an annual general meeting of shareholders once every calendar year and no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in the Articles as special general meetings. Our board of directors may call special general meetings of our shareholders whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Companies Law provides that our board of directors is required to convene a special general meeting of our shareholders upon the written request of (i) any two or more of our directors, (ii) one-quarter or more of the serving members of our board of directors or, (iii) as we are a Nasdaq-listed company, one or more shareholders holding, in the aggregate, either (a) 10% or more of our issued and outstanding shares and 1% or more of our outstanding voting power or (b) 10% or more of our outstanding voting power.

Under the Companies Law, one or more shareholders holding at least 1% of the voting rights at the general meeting of shareholders may request that the board of directors include a matter in the agenda of a general meeting of shareholders to be convened in the future, provided that it is appropriate to discuss such a matter at the general meeting, and provided, however, that, as we are a Nasdaq-listed company, in order to request that our board of directors include a matter in the agenda that relates to the election or removal of a director, such shareholder(s) must hold at least 5% of the voting rights at the general meeting of shareholders. The Articles contain procedural guidelines and disclosure items with respect to the submission of shareholder proposals for general meetings. Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings of shareholders are the shareholders of record on a date to be decided by the board of directors, which, as we are a Nasdaq-listed company, may be between four and 60 days prior to the date of the meeting.

Furthermore, the Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of shareholders:

- amendments to the articles of association;
- appointment, terms of service and termination of services of auditors;
- appointment of directors, including external directors (if applicable);
- approval of certain related party transactions;
- increases or reductions of authorized share capital;
- a merger; and
- the exercise of the board of director's powers by a general meeting, if the board of directors is unable to exercise its powers and the exercise of any of its powers is required for proper management of the company.

For companies whose articles of association do not require the company to provide advance notice of any annual general meeting or special general meeting, such as in the case of the Company, the Companies Law requires that a notice of any such meeting be provided to shareholders at least 14 prior to the meeting; otherwise, the Companies Law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting provided that, in each case, if the agenda of the meeting includes (among other things) the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Companies Law and the Articles, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Quorum

Holders of the ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person or by proxy who hold or represent at least 33 and 1/3% of the total outstanding voting power of our shares, except that if (i) any such general meeting was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting we qualify as a "foreign private issuer," the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of our total outstanding voting rights. The requisite quorum may be present within half an hour of the time fixed for the commencement of the general meeting. A general meeting adjourned for lack of a quorum shall be adjourned to the same day in the next week, at the same time and place, to such day and at such time and place as indicated in the notice to such meeting, or to such day and at such time and place as the chairperson of the meeting shall determine. At the reconvened meeting, any number of shareholders present in person or by proxy shall constitute a quorum, unless a meeting was called pursuant to a request by shareholders, in which case the quorum required is one or more shareholders, present in person or by proxy and holding the number of shares required to call the meeting as described above in "Shareholder Meetings."

Vote Requirements

Unless otherwise required by the Companies Law or by the Articles, all shareholder resolutions require a simple majority vote of under the Companies Law, certain actions require the approval of a special majority, including: (i) an extraordinary transaction with a controlling shareholder or in which the controlling shareholder has a personal interest, (ii) the terms of employment or other engagement of a controlling shareholder of the company or a controlling shareholder's relative (even if such terms are not extraordinary) and (iii) certain compensation-related matters. Under the Articles, if at any time our share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by the Articles, may be modified or cancelled by us by a resolution of the shareholders of the holders of all shares as one class, without any required separate resolution of any class of shares.

Under the Articles, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of the company pursuant to Section 350 of the Companies Law, which requires the approval of a majority of the shareholders present and represented at the meeting, and holding at least 75% of the voting rights represented at the meeting and voting on the resolution.

Access to Corporate Records

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register (including with respect to material shareholders), our Articles, our financial statements, other documents as provided in the Companies Law, and any document we are required by law to file publicly with the Israeli Registrar of Companies or the Israeli Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if it determines that the request was not made in good faith, that the document contains a commercial secret or a patent or that the document's disclosure may otherwise impair its interests.

Acquisitions under Israeli Law

Full Tender Offer

A person wishing to acquire shares of a public Israeli company who would, as a result, hold over 90% of the target company's voting rights or the target company's issued and outstanding share capital (or of a class thereof), is required by the Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). If (a) the shareholders who do not accept the offer hold less than 5% of the issued and outstanding share capital of the company (or the applicable class) and the shareholders who accept the offer constitute a majority of the offerees that do not have a personal interest in the acceptance of the tender offer or (b) the shareholders who did not accept the tender offer hold less than 2% of the issued and outstanding share capital of the company (or of the applicable class), all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If the full tender offer was not accepted in accordance with any of the above alternatives, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's voting rights or the company's issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer. Shares purchased in contradiction to the full tender offer rules under the Companies Law will have no rights and will become dormant shares.

Special Tender Offer

The Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of 25% or more of the voting rights in the company. This requirement does not apply if there is already another holder of 25% or more of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company. These requirements do not apply if (i) the acquisition occurs in the context of a private placement by the company that received shareholder approval as a private placement whose purpose is to give the purchaser 25% or more of the voting rights in the company, if there is no person who holds 25% or more of the voting rights in the company or as a private placement whose purpose is to give the purchaser 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company, (ii) the acquisition was from a shareholder holding 25% or more of the voting rights in the company and resulted in the purchaser becoming a holder of 25% or more of the voting rights in the company, or (iii) the acquisition was from a shareholder holding more than 45% of the voting rights in the company and resulted in the purchaser becoming a holder of more than 45% of the voting rights in the company. A special tender offer must be extended to all shareholders of a company. A special tender offer may be consummated only if (i) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (ii) the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding the purchaser, its controlling shareholders, holders of 25% or more of the voting rights in the company and any person having a personal interest in the acceptance of the tender offer, or anyone on their behalf, including any such person's relatives and entities under their control).

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer, or shall abstain from expressing any opinion if it is unable to do so, provided that it gives the reasons for its abstention. The board of directors shall also disclose any personal interest that any of the directors has with respect to the special tender offer or in connection therewith. An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or is to impair the chances of its acceptance, is liable to the potential purchaser and shareholders for damages, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer, and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer is accepted, then shareholders who did not respond to or that had objected the offer may accept the offer within four days of the last day set for the acceptance of the offer and they will be considered to have accepted the offer from the first day it was made.

In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity at the time of the offer may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares purchased in contradiction to the special tender offer rules under the Companies Law will have no rights and will become dormant shares.

Merger

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain conditions described under the Companies Law are met, a simple majority of the outstanding shares of each party to the merger that are represented and voting on the merger. The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial status of the merging companies. If the board of directors determines that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies. For purposes of the shareholder vote of a merging company whose shares are held by the other merging company, or by a person or entity holding 25% or more of the voting rights at the general meeting of shareholders of the other merging company, or by a person or entity holding the right to appoint 25% or more of the directors of the other merging company, unless a court rules otherwise, the merger will not be deemed approved if a majority of the shares voted on the matter at the general meeting of shareholders (excluding abstentions) that are held by shareholders other than the other party to the merger, or by any person or entity who holds 25% or more of the voting rights of the other party or the right to appoint 25% or more of the directors of the other party, or any one on their behalf including their relatives or corporations controlled by any of them, vote against the merger. In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders. If the transaction would have been approved but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the valuation of the merging companies and the consideration offered to the shareholders. If a merger is with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Companies Law, each merging company must deliver to its secured creditors the merger proposal and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of a merging company, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger is filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies is obtained.

Private Placements

Under the Companies Law, a private placement of securities requires approval by the board of directors and the shareholders of a company if it will cause a person to become a controlling shareholder or if:

- the securities issued amount to 20% or more of the company's outstanding voting rights before the issuance;
- some or all of the consideration is other than cash or listed securities or the transaction is not on market terms; and
- the transaction will increase the relative holdings of a shareholder that holds 5% or more of the company's outstanding share capital or voting rights or that will cause any person to become, as a result of the issuance, a holder of more than 5% of the company's outstanding share capital or voting rights.

Anti-Takeover Measures

The Companies Law allows us to create and issue shares having rights different from those attached to the ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having pre-emptive rights. No preferred shares are authorized under the Articles. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of the ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to the Articles, which requires the prior approval of the holders of a majority of the voting power attached to our issued and outstanding shares at a general meeting of our shareholders. The convening of the meeting, the shareholders entitled to participate and the vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law and the Articles, as described above in "-Shareholder Meetings." In addition, as disclosed under "-Election of Directors," we have a classified board structure, which effectively limits the ability of any investor or potential investor or group of investors or potential investors to gain control of our board of directors.

Borrowing Powers

Pursuant to the Companies Law and the Articles, our board of directors may exercise all powers and take all actions that are not required under law or under the Articles to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Changes in Capital

The Articles enable us to increase or reduce our share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting of shareholders. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.

Exclusive Forum

Exclusive Jurisdiction of Certain Actions

The Articles provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act and, for the avoidance of any doubt, such provision does not apply to any claim asserting a cause of action arising under the Exchange Act. Except as set forth in the preceding sentence, the Articles also provide that, unless we consent in writing to the selection of an alternative forum, the competent courts in Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders or (iii) any action asserting a claim arising pursuant to any provision of the Articles, the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli law and would not apply to claims brought pursuant to the Securities Act or any other claim for which U.S. federal courts would have exclusive jurisdiction. Such exclusive forum provision in the Articles will not relieve us of our duties to comply with U.S. federal securities laws and the rules and regulations thereunder, and our shareholders will not be deemed to have waived our compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us, our directors, officers and employees. However, the enforceability of similar forum provisions in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in the Articles.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is American Stock Transfer & Trust Company, LLC. Its address is 1 State Street, 30th Floor, New York, New York 10004.

Exchange Listing

Our ordinary shares are listed on the Nasdaq Capital Market under the symbol "HUBC."

WARRANTS[1]

Pre-SPAC Public Warrants

In connection with an offering conducted in Israel to institutional investors in February 2022, we issued an aggregate amount of 9,664,932 warrants, which we refer to as the "pre-SPAC public warrants." The pre-SPAC public warrants are exercisable for an aggregate amount of 688,563 ordinary shares at an exercise price of $[20.30] per whole share (following the reverse share splits that we effected immediately prior to the closing and in December 2023). The pre-SPAC public warrants will expire on [August 22, 2025]. The pre-SPAC public warrants are currently trading on Nasdaq under the symbol "HUBCZ".

SPAC Public Warrants

In connection with our business combination that closed on February 28, 2023, we issued an aggregate amount of [16,043,862] warrants, [15,507,843] of which were issued in exchange for the public warrants of Mount Rainier Acquisition Corp., a Delaware corporation ("RNER") (the "SPAC public warrants") and [535,989] of which were issued in exchange for the private warrants of RNER (the "SPAC private warrants" and together with the SPAC public warrants, the "SPAC warrants"). The SPAC public warrants are exercisable for an aggregate amount of [1,163,088] ordinary shares at an exercise price of $[127.90] per whole share (following the reverse share splits that we effected immediately prior to the closing and in December 2023). The SPAC public warrants will expire at 5:00 p.m., New York City time on February 28, 2028, unless redeemed by us or we are liquidated prior to that date. The SPAC public warrants are currently trading on Nasdaq under the symbol "HUBCW".

Warrant Agreement

The SPAC public warrants were issued in registered form pursuant to the Warrant Agreement dated October 4, 2021, by and between RNER and American Stock Transfer & Trust Company, LLC ("AST"), as amended by the Amended and Restated Warrant Agreement, dated February 28, 2023, by and among AST, RNER and us (the "Warrant Agreement"). You should review a copy of the Warrant Agreement and the form of warrant, as publicly disclosed, for a complete description of the terms and conditions of the SPAC public warrants and the Warrant Agreement.

Duration and Exercise Price Adjustments

The exercise price and number of ordinary shares issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our ordinary shares and the exercise price. However, except as described below, the SPAC public warrants will not be adjusted for issuances of ordinary shares at a price below their respective exercise prices.

Exercisability

The SPAC public warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrantholders do not have the rights or privileges of holders of our ordinary shares and any voting rights until they exercise their warrants and receive ordinary shares. After the issuance of ordinary shares upon exercise of the SPAC public warrants, each holder will be entitled to one (1) vote for each share held of record on all matters to be voted on by shareholders.

Cashless Exercise

If, at the time a holder exercises SPAC public warrants, a registration statement registering the issuance of the ordinary shares underlying the SPAC public warrants under the Securities Act is not then effective or available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of ordinary shares determined according to a formula set forth in the warrant agreement (as defined below).

Redemption

We may call the SPAC public warrants for redemption:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30 day redemption period") to each warrantholder; and
- if, and only if, the reported last sale price of our ordinary shares equals or exceeds $[180.00] per share (following the reverse share splits that we effected immediately prior to the closing and in December 2023 and as may be further adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period commencing on March 1, 2023 and ending three business days before the Company sends the notice of redemption to its warrantholders.

Notice of redemption will be mailed by first class mail, postage prepaid, by the Company not less than thirty (30) days prior to the redemption date to the registered holders of the SPAC public warrants to be redeemed at their last addresses as they appear on the registration books of the Company.

The right to exercise will be forfeited unless the SPAC public warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a warrant will have no further rights except to receive the redemption price for such holder's warrant upon surrender of such warrant.

The redemption criteria for warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing share price and the warrant exercise price so that if the share price declines as a result of our redemption call, the redemption will not cause the share price to drop below the exercise price of the warrants.

If we call the warrants for redemption as described above, our management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the difference between the exercise price of the warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of HUB Security common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. Whether HUB Security will exercise its option to require all holders to exercise their warrants on a "cashless basis" will depend on a variety of factors including the price of HUB Security common shares at the time the warrants are called for redemption, HUB Security's cash needs at such time and concerns regarding dilutive share issuances.

The warrants are issued in registered form under the Amended and Restated Warrant Agreement between American Stock Transfer & Trust Company, LLC, as warrant agent, and us. You should review a copy of the Amended and Restated Warrant Agreement, which is filed as an exhibit to our Annual Report for a complete description of the terms and conditions applicable to the SPAC public warrants. The Amended and Restated Warrant Agreement provides that the terms of the SPAC warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of a majority of the then outstanding SPAC warrants in order to make any change that adversely affects the interests of the registered holders.

Fractional Shares

Pursuant to the Amended and Restated Warrant Agreement, a warrant holder may exercise SPAC public warrants only for a whole number of ordinary shares. No fractional shares will be issued upon exercise of the warrants. If, upon exercise of SPAC public warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of our ordinary shares to be issued to the warrant holder.

Transferability

Subject to applicable laws, each SPAC public warrant may be transferred at the option of the holder upon surrender of the warrant to us together with the appropriate instruments of transfer.

Warrant Agent

The warrant agent for our SPAC public warrants is American Stock Transfer & Trust Company.

Exhibit 4.26

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of _____ (the "**Execution Date**"), between HUB Cyber Security Ltd., an Israeli company (the "**Company**"), and the investors identified on the signature pages hereto (each a "**Buyer**" and, collectively, the "**Buyers**").

RECITALS

A. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Regulation D ("**Regulation D**") under the Securities Act of 1933, as amended (the "**1933 Act**"), as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

B. The Buyers wish to purchase, and the Company wishes to sell, upon the terms and subject to the conditions stated in this Agreement, (i) convertible unsecured notes in the form attached hereto as **Exhibit A** (each a "**Convertible Note**" and, collectively, the "**Convertible Notes**"), convertible into Ordinary Shares (the "**Conversion Shares**") pursuant to the terms set forth therein, and (ii) warrants, in the form attached hereto as **Exhibit B** (each a "**Warrant**" and, collectively, the "**Warrants**"), to acquire Ordinary Shares pursuant to the terms set forth therein (the "**Warrant Shares**").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF CONVERTIBLE NOTES AND WARRANTS.

(a) Convertible Notes and Warrants. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer shall purchase from the Company on the applicable Closing Date (as defined below), Convertible Notes in an aggregate principal amount as set forth on each Buyer's respective signature page hereto, along with Warrants to initially acquire up to the aggregate number of Warrant Shares as set forth on each Buyer's respective signature page hereto.

(b) Closing. The aforementioned issuances, sales and deliveries of Convertible Notes and Warrants shall take place as soon as practicable following the date hereof, but no later than the Business Day following the satisfaction or waiver of all of the closing conditions set forth in Sections 6 and 7 (the "**Closing**" and such date of a Closing being, the "**Closing Date**").

(c) Payment of Purchase Price; Delivery of Securities. On the Closing Date, each Buyer shall pay the principal amount as set forth on each Buyer's respective signature page hereto (the "**Purchase Price**") to the Company by wire transfer of immediately available funds in accordance with the Company's written wire instructions and the Company shall issue to each Buyer a Convertible Note with the principal amount set forth on such Buyer's respective signature page hereto, and Warrants to acquire Warrant Shares in the amount as indicated on the signature page hereto, in all cases, duly executed on behalf of the Company and registered in the name of such Buyer or its designee.

(d) Taxes. The Company shall be entitled to withhold Israeli tax on any payment of interest, unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants to the Company, on behalf of itself, that:

(a) Organization; Authority. Such Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring, or will acquire, the Convertible Notes and Warrants, (ii) upon conversion of its Convertible Notes, will acquire the Conversion Shares issuable upon conversion thereof, and (iii) upon exercise of its Warrants will acquire the Warrant Shares issuable upon exercise thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, acknowledge that they have been furnished with or provided access via EDGAR to the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K as well as Registration Statements on Form F-1 or F-4 (including amendments thereto). Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information such Buyer has requested which is necessary to verify the accuracy of the information furnished to such Buyer concerning the Company and such offering. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. Such Buyer acknowledges that such Buyer is basing its decision to invest in the Securities solely upon the information contained in the Transaction Documents, the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K, if any, and its own due diligence and, except as specifically set forth in this Agreement, has not based its investment decision upon any representations made by any Person (as defined below).

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands, that except as provided in Section 4(e) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) ("**Rule 144**"); and (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement. The execution and delivery of the Transaction Documents and the consummation by such Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Buyer and no further consent or authorization of such Buyer or its members is required. Each Transaction Document has been duly executed by such Buyer and when delivered in accordance with terms hereof and thereof, constitutes the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the consummation by such Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of such Buyer to perform its obligations hereunder.

(j) Experience of Buyer. Such Buyer has such knowledge, sophistication and experience in business and financial matter so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Buyer is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(k) Foreign Corrupt Practices. Neither such Buyer nor any of its subsidiaries or affiliates, nor, to the knowledge of such Buyer, any director, officer, agent, employee, member or other Person acting on behalf of such Buyer or any its subsidiaries or affiliates has, in the course of its actions for, or on behalf of, such Buyer or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any foreign or domestic government official or employee.

(l) General Solicitation. Such Buyer is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or advertisement.

(m) Patriot Act Representations.

(i) Such Buyer represents that all evidence of identity provided is genuine and all related information furnished is accurate.

(ii) Such Buyer hereby acknowledges that the Company seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of such efforts, such Buyer hereby represents and agrees that: (A) no part of the funds used by such Buyer to acquire the Securities have been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations; and (B) no payment to the Company by such Buyer shall cause the Company to be in violation of any applicable anti-money laundering laws and regulations including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Executive Order 13224 (2001) (the "Patriot Act") issued by the President of the United States and the U.S. Department of the Treasury Office of Foreign Assets Control ("OFAC") regulations.

(iii) Such Buyer represents and warrants that the amounts to be paid by such Buyer to the Company will not be directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Such Buyer represents and warrants that, to the best of its knowledge, none of: (A) such Buyer; (B) any Person controlling or controlled by such Buyer; or (C) any Person having a beneficial interest in such Buyer is (I) a country, territory, individual or entity named on a list maintained by OFAC, (II) a Person prohibited under the OFAC Programs, (III) a senior foreign political figure,[1] or any immediate family member[2] or close associate[3] of a senior foreign political figure as such terms are defined in the footnotes below or (IV) a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. §5311 et seq.), as amended (the "Bank Secrecy Act") and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(iv) Such Buyer further represents and warrants that such Buyer: (A) has conducted thorough due diligence with respect to all of its beneficial owners, (B) has established the identities of all beneficial owners and the source of each of the beneficial owner's funds and (C) will retain evidence of any such identities, any such source of funds and any such due diligence.

(v) Neither such Buyer nor any Person directly or indirectly controlling, controlled by or under common control with such Buyer is a person identified as a terrorist organization on any relevant lists maintained by governmental authorities.

(vi) Such Buyer agrees to provide the Company all information that may be reasonably requested to comply with applicable laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of such Buyer from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information. Such Buyer agrees to notify the Company promptly if there is any change with respect to the representations and warranties provided herein. Such Buyer consents to the disclosure to regulators and law enforcement authorities by the Company and its affiliates and agents of any information about such Buyer or its constituents as the Company reasonably deems necessary or appropriate to comply with applicable anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders.

1 A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

2 "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

3 A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyers the matters set forth in this Section 3. These representations and warranties are current as of the date of this Agreement, except to the extent that a representation or warranty expressly states that such representation or warranty is current only as of an earlier date. If any information is so reflected as of an earlier date, there have been no material changes since such date to the date hereof.

(a) Organization and Qualification. Each of the Company and each of its subsidiaries are (i) entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed (to the extent such concept exists in the applicable jurisdiction), and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and (ii) is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction (to the extent such concept exists in the applicable jurisdiction) in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes and the issuance of the Warrants and the reservation for issuance and issuance of the Conversion Shares upon conversion of the Convertible Notes and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants) have been (i) duly authorized by the Company's board of directors and (ii) no further filing, consent or authorization is required by the Company, its board of directors or its shareholders or other governing body of the Company (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(f) of this Agreement). This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

(c) Issuance of Securities. The issuance of the Securities is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, Liens, charges and other encumbrances with respect to the issue thereof. As of the Closing, the Company shall have reserved from its duly authorized capital stock not less than the maximum number of Conversion Shares issuable upon conversion of the Convertible Notes (without taking into account any limitations on the conversion of the Convertible Notes set forth therein) and (ii) the maximum number of Warrant Shares issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein). Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Upon issuance in accordance with the terms of the Transaction Documents, Buyers will have good and marketable title to the Securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares and the reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) result in a violation of the Articles of Association of the Company or other organizational documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws or operating agreements of the Company or any of its subsidiaries or (ii) result in a violation of any law, rule, regulation, order, judgment or decree, except, in the case of this clause (ii), to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(e) Consents. Neither the Company nor any subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with any court, governmental agency or any regulatory or self-regulatory agency or any other Person (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(f) of this Agreement), in order for it to execute, deliver or perform any of its respective obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations that the Company is required to obtain at or prior to the Closing have been obtained or effected on or prior to the Closing Date, and the Company is not aware of any facts or circumstances that might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents.

(f) Acknowledgment Regarding Buyers' Purchase of Securities. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that such Buyer is not (i) an officer or director of the Company, (ii) an affiliate (as defined in Rule 405 of the 1933 Act) of the Company (an "**Affiliate**") or (iii) to its knowledge, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the 1934 Act) of more than 10% of the Ordinary Shares. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company or any of its subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by such Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to such Buyer that the Company's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company and its representatives.

(g) Regulation D; Placement Agent's Fees. Neither the Company nor any of its affiliates (as defined in Regulation 501 under the 1933 Act) nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offering of the Securities and it and they have complied and will comply with the offering restrictions requirement of Regulation D. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, or brokers' commissions, relating to or arising out of the transactions contemplated hereby.

(h) No Integrated Offering. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company under any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested shareholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the Articles of Association or other organizational documents of the Company or any of its Affiliates or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to each Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and such Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Ordinary Shares or a change in control of the Company or any of its Affiliates.

(j) SEC Documents; Financial Statements. As of their respective dates, all reports, schedules, forms, statements and other documents required to be filed by the Company with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing, as well as all registration statements under the 1933 Act, filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**") complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its dates, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude the footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). No other information provided by or on behalf of the Company to each Buyer which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

(k) Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1 if filed more recently), except as disclosed in the SEC Documents filed subsequent to such Form 20-F (or Form F-1, as applicable), there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), or condition (financial or otherwise) of the Company and its subsidiaries. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1, as applicable), neither the Company nor any of its subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets outside of the ordinary course of business or (iii) made any material capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up.

(l) No Undisclosed Events, Liabilities, Developments or Circumstances. Except as disclosed in the SEC Documents, no event, liability, development or circumstance has occurred or exists, or is reasonably expected to occur or exist with respect to the Company or any of its subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise) that would have a Material Adverse Effect on the Company.

(m) Conduct of Business; Regulatory Permits. Neither the Company nor any of its subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its subsidiaries, and the Company will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Since February 28, 2023, (i) the Ordinary Shares have been designated for quotation on the Principal Market, (ii) trading in the Ordinary Shares has not been suspended by the SEC or the Principal Market and (iii) except as disclosed in the SEC Documents, the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension of the Ordinary Shares from the Principal Market. The Company and each of its subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(n) Foreign Corrupt Practices. Neither the Company nor any of its subsidiaries nor to the knowledge of the Company, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its subsidiaries (as applicable) has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(o) Sarbanes-Oxley Act. Except as set forth in the SEC Documents, the Company and each of its subsidiaries is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder.

(p) Transactions With Affiliates. Except as disclosed in the SEC Documents, none of the officers, directors, employees or Affiliates of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors and immaterial transactions), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or Affiliate or, to the knowledge of the Company, any corporation, partnership, trust or other Person in which any such officer, director, employee or Affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(q) Equity Capitalization. As of the date hereof, the authorized capital stock of the Company consists solely of 1,000,000,000 Ordinary Shares, of which approximately 104,424,772 are issued and outstanding. 860,036 Ordinary Shares are held in treasury. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued, fully paid and non-assessable. Except as disclosed in the SEC Documents: (i) to the Company's knowledge, no Person owns 10% or more of the Company's issued and outstanding Ordinary Shares (calculated based on the assumption that all Convertible Securities, whether or not presently exercisable or convertible, have been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion (including "blockers") contained therein without conceding that such identified Person is a 10% shareholder for purposes of federal securities laws); (ii) the Company's capital stock and the capital stock of its subsidiaries are not subject to preemptive rights or any other similar rights or any Liens; (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional capital stock or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, respectively (other than as may be issued from time to time under any equity incentive plan maintained); (iv) except for the Convertible Notes, there are no outstanding debt securities, convertible notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound. The SEC Documents contain true, correct and complete copies of the Company's Articles of Association, as amended and as in effect on the date, and the terms of all securities convertible into, or exercisable or exchangeable for, Ordinary Shares and the material rights of the holders thereof.

(r) Indebtedness and Other Contracts. Except as disclosed in the SEC Documents, each of the Company and its subsidiaries (i) does not have any material outstanding Indebtedness, Indebtedness secured by any Lien on any assets of the Company or any of its subsidiaries or other material debt obligations, except for the Convertible Notes, (ii) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is not in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, and (iv) is not a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction.

(s) Litigation. Except as disclosed in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries, the Ordinary Shares or any of the Company's or its subsidiaries' executive officers or directors which would be reasonably likely to adversely affect the transactions contemplated by this Agreement or would require disclosure in the SEC Documents.

(t) Insurance. The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged. Neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(u) Employee Relations. Neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement nor does it employ any member of a union. To the knowledge of the Company, no executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters.

(v) Title. The Company and its subsidiaries have good and marketable title to (i) all real property owned by it and (ii) all personal property, owned by them which is material to the business of the Company and its subsidiaries, in each case, free and clear of all Liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its subsidiaries. Any real property and facilities held under lease by the Company and any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its subsidiaries.

(w) Intellectual Property Rights. The Company and its subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted. Except as disclosed in the SEC Documents, none of the Company's or its subsidiaries' Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within three years from the date of this Agreement, which could reasonably be expected to result in a Material Adverse Effect.

(x) Tax Status. Each of the Company and its subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply and except in each case where the failure to file, pay or set aside could not be reasonably expected to have a Material Adverse Effect. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(y) Internal Accounting and Disclosure Controls. Except as disclosed in the SEC Documents, the Company and each of its subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Except as disclosed in the SEC Documents, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

(z) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(aa) U.S. Real Property Holding Corporation. Neither the Company nor any of its subsidiaries is or has ever been, and so long as any of the Securities are held by any Buyer, shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company and each subsidiary shall so certify upon any Buyer's request.

(bb) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(cc) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i).

(dd) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its subsidiaries or any other business entity or enterprise with which the Company or any of its subsidiaries is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its subsidiaries.

(ee) Money Laundering. The Company and its subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, without limitation, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(ff) Disclosure. All disclosure provided to any Buyer regarding the Company, its subsidiaries, their respective businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. COVENANTS.

(a) Use of Proceeds. The Company shall use the proceeds from the sale of the Convertible Notes and the Warrants for general corporate purposes.

(b) Financial Information. Until the date on which the Buyers shall have sold all of the Registrable Securities (the "**Reporting Period**"), the Company agrees to send the following to each Buyer unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, (i) within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, any interim reports or any consolidated balance sheets, income statements, shareholders' equity statements and/or cash flow statements for any period other than annual, any Reports of Foreign Private Issuers on Form 6-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) on the same day as the release thereof, facsimile copies of all press releases issued by the Company and (iii) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders.

(c) Listing. The Company shall use its commercially reasonable efforts to promptly secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities consisting of Ordinary Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) so that all such Registrable Securities consisting of Ordinary Shares may be traded on the foregoing, subject to official notice of issuance, and shall maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall use its commercially reasonable efforts to maintain the Ordinary Shares' listing or designation for quotation (as the case may be) on the Principal Market, The New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market or the Nasdaq Global Market (each, an "**Eligible Market**"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market.

(d) Fees. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, transfer agent fees, DTC fees or broker's commissions, relating to or arising out of the transactions contemplated hereby. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to each Buyer.

(e) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by each Buyer in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and each Buyer effecting a pledge of Securities shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document. At each Buyer's expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by each Buyer provided that the Company shall be under no obligation to deliver any legal opinion required in connection therewith unless required by the Company's transfer agent to be issued by the Company's legal counsel.

(f) Disclosure of Transactions and Other Material Information. The Company shall not, and the Company shall cause each of its officers, directors, employees and agents not to, provide each Buyer with any material, non-public information regarding the Company from and after the Execution Date without the express prior written consent of such Buyer. Subject to the foregoing, neither the Company nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of each Buyer, to make any press release or other public disclosure with respect to such transactions as is required by applicable law and regulations (provided that such Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of each Buyer, the Company shall not (and shall cause each of its affiliates to not) disclose the name of such Buyer in any filing (other than as required by applicable law or rules and regulations), announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that each Buyer has not had, and such Buyer shall not have (unless expressly agreed to by such Buyer after the date hereof in a written definitive and binding agreement executed by the Company and such Buyer), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any information regarding the Company or any of its subsidiaries (as applicable) that such Buyer receives from the Company, any of its subsidiaries or any of its or its officers, directors, employees, shareholders or agents.

(g) Reservation of Shares. As long as any of the Convertible Notes and Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance, no less than the number of Ordinary Shares issuable upon conversion of the Convertible Notes and exercise of the Warrants.

(h) Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(i) Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

5. TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent in a form acceptable to each Buyer to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**"), registered in the name of such Buyer or its respective nominee(s), for the Conversion Shares and the Warrant Shares in such amounts as specified from time to time by such Buyer to the Company, and confirmed by the Company, upon the conversion of the Convertible Notes or the exercise of the Warrants (as the case may be). The Company represents and warrants that no instruction other than such irrevocable transfer agent instructions referred to in this Section 5(a), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If any Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares or Warrant Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(c) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a)will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(b) Legends. Each Buyer understands that the Securities have not been (or will not be in the case of the Conversion Shares and Warrant Shares) registered under the 1933 Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144 or pursuant to another exemption from the registration requirements of the 1933 Act, and except as set forth below, the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> [NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE [CONVERTIBLE]/[EXERCISABLE] HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(c) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(b) above or any other legend (i) while a registration statement covering the resale of such Securities is effective under the 1933 Act (provided that each Buyer provides the Company with any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or a registration statement, (iii) in connection with a sale, assignment or other transfer under Rule 144 (provided that each Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that each Buyer provides the Company with an opinion of counsel to such Buyer from reputable counsel to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) Trading Days following the delivery by any Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(c), as directed by such Buyer, credit the aggregate number of Ordinary Shares to which each Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system.

(d) Manner of Sale. Each Buyer, severally and not jointly with the other Buyers, agrees with the Company that such Buyer will sell any Securities pursuant to either the registration requirements of the 1933 Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 5 is predicated upon the Company's reliance upon this understanding.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Convertible Notes and Warrants to each Buyer at the applicable Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Each Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Each Buyer shall have delivered to the Company the Purchase Price for the Convertible Notes and Warrants being purchased by such Buyer at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of each Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

7. CONDITIONS TO BUYERS' OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Convertible Notes and Warrants at the Closing is subject to the satisfaction, at or before each applicable Closing Date and in respect of each such Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to each Buyer each of the Transaction Documents to which the Company is a party and the Company shall have duly executed and delivered to such Buyer the Convertible Notes and Warrants as is set forth on the applicable signature page hereto and the Company shall have complied in all material respects with all obligations under this Agreement and the other Transaction Documents, including, without limitation, the Convertible Notes and the Warrants.

(ii) Each and every representation and warranty of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date. Each Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, (i) to the foregoing effect and (ii) verifying the accuracy of Section 7(a)(vi) herein.

(iii) The Ordinary Shares (A) shall be designated for quotation on the Principal Market; and (B) shall not have been suspended, as of the Closing Date, by the SEC or the Principal Market from trading on the Principal Market.

(iv) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market.

(v) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents, and no actions, suits or proceedings shall be pending by any governmental authority that seeks to enjoin, prohibit or otherwise adversely affect any of the transactions contemplated by the Transaction Documents.

(vi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect and the Company has not filed for nor is it subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company.

(vii) The Company shall have delivered to each Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement reasonably required to consummate the transactions contemplated hereby.

8. TERMINATION.

In the event that the Closing shall not have occurred within ten (10) days after the date hereof (the "**Expiration Date**"), then this Agreement shall terminate with respect to the applicable Buyer on the close of business on the Expiration Date without liability to any other party; provided, however, that the right to terminate this Agreement under this Section 8 shall not be available to such Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Buyer's breach of this Agreement. Notwithstanding anything to the contrary above, nothing contained in this Section 8 shall be deemed to release any party hereto from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party hereto to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. CERTAIN DEFINITIONS

(a) 1934 Act. The "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

(b) Business Day. "**Business Day**" means any day other than a Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) Convertible Securities. "**Convertible Securities**" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Ordinary Shares).

(d) Indebtedness. "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the purchase price of property or assets, including indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), other than trade payables entered into in the ordinary course of business, (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, (E) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, and (F) all indebtedness referred to in clauses (A) through (E) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any material property or assets (including accounts and contract rights) owned by such Person, even though the Person has not assumed or become liable for the payment of such indebtedness.

(e) Lien. "**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the 1933 Act and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

(f) Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its subsidiaries to perform any of its respective obligations under any of the Transaction Documents (as defined below).

(g) Ordinary Shares. "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(h) Person. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(i) Principal Market. "**Principal Market**" means the Nasdaq Capital Market; provided however, that in the event the Ordinary Shares are ever listed or traded on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, then the "Principal Market" shall mean such other market or exchange on which the Ordinary Shares is then listed or traded.

(j) Registrable Securities. "**Registrable Securities**" means (i) the Shares, (ii) the Warrant Shares and (iii) any capital stock of the Company issued or issuable with respect to such Conversion Shares and the Warrant Shares, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which the Ordinary Shares is converted or exchanged, in each case, without regard to any limitations on exercise or exchange of the Warrants. As to any Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a registration statement with respect to the sale of such securities shall have become effective under the 1933 Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent public distribution of them shall not require registration under the 1933 Act; or (c) such securities are freely saleable under Rule 144.

(k) Securities. "**Securities**" means the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares.

(l) Subsidiaries. "**Subsidiary**" or "**subsidiary**" means with respect to a Person, any Person in which that other Person, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person; provided, that a Person shall not be deemed a subsidiary pursuant to clauses (I) or (II) unless the Person, directly or indirectly, owns at least 51% of any of the outstanding capital stock or holds at least 51% of any equity or similar interest of such Person.

(m) Trading Day. "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

(n) Transaction Documents. "**Transaction Documents**" means, collectively, this Agreement, the Convertible Notes, the Warrants, and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

10. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or under any of the other Transaction Documents or in connection herewith or therewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties hereto as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties hereto or the practical realization of the benefits that would otherwise be conferred upon the parties hereto. The parties hereto will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its affiliates and Persons acting on its behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties hereto solely with respect to the matters covered herein and therein. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Buyers who have transferred to the Company a majority of the aggregate Purchase Price hereunder (the "**Required Majority**"). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. The Company has not, directly or indirectly, made any agreements with any Buyer relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by any Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iii) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

HUB Cyber Security Ltd.
30 Ha'Masger St.
Tel Aviv 6721117, Israel
Tel: +972-3-924-4074
Email Address: Osher Partok Rheinisch, Chief Legal Officer
Attention: osher.p.rheinisch@hubsecurity.io

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: adam.klein@goldfarb.com; daniel.kahn@goldfarb.com

If to a Buyer:

See Buyer's signature page hereto

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication or (B) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (i) or (iii) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (ii) above.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and its successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers, including, without limitation, by way of a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the applicable Warrants).

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and its permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 10(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive the Closing until the applicable statute of limitations. Each Buyer shall be responsible only for its representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless such Buyer and each holder of any Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to any material (A) misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (B) breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (C) cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company, but other than by an affiliate of any Buyer) or which otherwise involves such Indemnitee that arises out of or results from (I) the execution, delivery, performance or enforcement of any of the Transaction Documents, (II) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (III) any disclosure properly made by any Buyer pursuant to Section 4(f), or (IV) the status of any Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement, unless such action is based upon a breach of such Buyer's representations, warranties, or covenants under the Transaction Documents, or any agreements or understandings such Buyer may have with any such third party, or any violations by such Buyer of state or federal securities laws or any conduct by such Buyer which constitutes fraud, gross negligence or willful misconduct.

(ii) Promptly after receipt by an Indemnitee under this Section 10(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 10(k), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (i) the Company has agreed in writing to pay such fees and expenses; or (ii) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

(iii) The indemnification required by this Section 10(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iv) Notwithstanding any provision in this Agreement or any other Transaction Documents, the aggregate indemnification obligations of the Company pursuant to this Section 10(k) shall not exceed 100% of the aggregate Purchase Price actually paid by the Buyers.

(v) The sole and exclusive remedy for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Section 10(k), and each Buyer expressly waives any other rights or remedies it may have; provided however, that equitable relief, including remedies of specific performance and injunction, shall be available with respect to any matter where money damages would not be sufficient to compensate any Buyer or to preserve the rights of such Buyer pending resolution of a dispute, and this Section 10(k) shall not relieve the Company from liability for willful misconduct, gross negligence, bad faith, fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement.

(m) Remedies. Each Buyer and each holder of any Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security, to the extent permitted by law), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to each Buyer. The Company therefore agrees that each Buyer shall be entitled to seek specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Exercise of Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may continue to exercise it other rights, elections, demands and options hereunder and under any other Transaction Document from time to time as if such original right, election, demand or option had not been exercised without prejudice to its future actions and rights and remedies.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to such Buyer hereunder or pursuant to any other Transaction Document or any Buyer enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

[*signature pages follow*]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By: _____
Name:
Title:

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

Name of Buyer: _____

Signature of Authorized Signatory of Buyer: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory:_____

Address for Notice to Buyer: _____

Purchase Price: _____

Conversion Price: Lowest of (a) $2.50 and (b) the product of 75% multiplied by the arithmetic average of the VWAPs (as defined in the Convertible Notes) in the five (5) Trading Days prior to the date of conversion, subject to adjustment as provided herein, however, in any case, the Conversion Price shall not be lower than $1.50.

Warrant Shares: One Ordinary Share for every Conversion Share issuable to Buyer under the terms of the Convertible Notes (based upon the number of Conversion Shares that would be issuable on the applicable Closing Date).

Exercise Price per Warrant Share: Closing Sale Price (as defined in the Warrants) of the Ordinary Shares as of the Closing Date.

NEITHER THE ISSUANCE AND SALE OF THIS CONVERTIBLE NOTE NOR THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE I44A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 8 HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

HUB Cyber Security Ltd.

Convertible Note

Issuance Date: _____ Loan Amount: U.S. $ _____

FOR VALUE RECEIVED, HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby promises to pay to the order of _____, or its registered assigns ("**Holder**") the principal sum set forth above as the original Loan Amount (as reduced pursuant to the terms hereof pursuant to redemption or otherwise, the "**Loan Amount**") from the date set out above as the Issuance Date. This Convertible Note (with all notes issued in exchange, transfer or replacement hereof, this "**Note**") is issued pursuant to that certain Securities Purchase Agreement, dated as of _____, by and between the Company and the Holder (the "**Securities Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

1. Payments of Loan Amount. The Loan Amount under this Note shall be payable as follows:

(a) The outstanding Loan Amount shall not accrue interest.

(b) Unless earlier converted into Ordinary Shares, the outstanding Loan Amount will be due and payable by the Company on the three-month anniversary of the Issuance Date.

(c) All payments made under this Note will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company.

2. Conversion. This Note shall be convertible into validly issued, fully paid and non-assessable Ordinary Shares on the terms and conditions set forth in this Section 2.

(a) Conversion. Subject to the provisions of Section 2(e), at any time or times on or after the Execution Date, the Holder shall be entitled to convert any portion or the entirety of the outstanding Loan Amount into validly issued, fully paid and non-assessable Ordinary Shares ("**Conversion Shares**") in accordance with Section 2(c). Any such portion of the outstanding Loan Amount to be converted in accordance with this Section 2 is referred to herein as the "**Conversion Amount**."

(b) Conversion Shares. The number of Conversion Shares issuable upon conversion of the Conversion Amount shall be determined according to the following formula:

$$\frac{\text{Conversion Amount}}{\text{Conversion Price}}$$

No fractional Ordinary Shares are to be issued upon the conversion of this Note. If the issuance would result in the issuance of a fraction of a share, the Company shall round such fraction of a share up to the nearest whole share.

(c) Mechanics of Conversion. The conversion shall be conducted in the following manner:

(i) Holder's Conversion. To convert all or a portion of this Note into Conversion Shares on any date (a "**Conversion Date**"), a Holder shall deliver to the Company (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion in the form attached hereto as **Exhibit A** (the "**Conversion Notice**").

(ii) Company's Response. Not later than the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by email an acknowledgment of confirmation, in the form attached hereto as **Exhibit B**, of receipt of such Conversion Notice to such Holder and the Company's transfer agent (the "**Transfer Agent**"), which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second (2nd) Trading Day following the date of receipt by the Company of such Conversion Notice, the Company shall (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Conversion Shares to which the Holder is entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Conversion Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Conversion Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Conversion Notice), for the number of Conversion Shares to which the Holder is entitled pursuant to such conversion. Upon delivery of a Conversion Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Conversion Shares with respect to which such Conversion Notice was issued, irrespective of the date such Conversion Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Conversion Shares (as the case may be).

(iii) Disputes. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the number of Conversion Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Conversion Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 19.

(iv) Book-Entry. Notwithstanding anything to the contrary set forth in this Section 2, upon conversion of any portion of this Note in accordance with the terms hereof, no Holder thereof shall be required to physically surrender this Note to the Company. If this Note is surrendered as provided by Section 7, then, provided that there remains any outstanding Loan Amount under this Note at the time of surrender, the Company shall, as soon as practicable and in no event later than three (3) Trading Days after receipt of this Note and at its own expense, issue and deliver to such Holder (or its designee) a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount (if any) under this Note. Each Holder and the Company shall maintain records showing the portion of the Note so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Company, so as not to require physical surrender of the Note upon each such conversion. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any portion of the Note, the outstanding Loan Amount represented by such Note may be less than stated on the face thereof. Each Note shall bear the following legend:

ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 7(A) HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

(d) Taxes. The Company shall be entitled to withhold Israeli tax on any payment of interest, unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in this Note, this Note shall not be convertible or exchangeable by the Holder hereof to the extent (but only to the extent), after giving effect to the issuance of Ordinary Shares issuable upon such conversion, the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares then outstanding, as calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Note shall be convertible or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to convert or exchange this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Note. The limitations contained in this paragraph shall apply to a successor Holder of this Note. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Note or securities issued pursuant to the Securities Purchase Agreement.

(f) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Note a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

3. Rights upon Event of Default; Acceleration.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**":

(i) the Company's failure to maintain sufficient reserves of its authorized and unissued Ordinary Shares to redeem the maximum number of Conversion Shares issuable upon conversion of all the Convertible Notes then outstanding;

(ii) the Company's (A) failure to timely deliver the required number of Ordinary Shares upon conversion of this Note, and any such failure remains uncured for a period of five (5) Business Days, or (B) notice, written or oral, to any holder of the Convertible Notes, including, without limitation, by way of public announcement or through any of its agents, at any time, of its intention not to comply, as required, with a request for conversion of any Convertible Notes into Ordinary Shares that is requested in accordance with the provisions of the Convertible Notes, in each case, other than pursuant to Section 2(e);

(iii) the Company fails to remove any restrictive legend on any certificate or any Ordinary Shares issued to the Holder upon conversion or exercise (as the case may be) of the Note as and when required by the Securities Purchase Agreement, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for a period of five (5) Business Days;

(iv) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, which have not been dismissed within sixty (60) days of their initiation;

(v) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a UCC foreclosure sale or any other similar action under federal, state or foreign law;

(vi) the entry by a court of (A) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (B) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law or (C) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of sixty (60) consecutive days;

(vii) other than as specifically set forth in another clause of this Section 3(a), the Company or any Subsidiary materially breaches any representation or warranty when made, or any covenant or other term or condition of this Note or any other Transaction Document, and, only, in the case of a material breach of a covenant or other term or condition that is curable, if such breach remains uncured for a period of twenty (20) consecutive Trading Days after the delivery by Holder of written notice thereof;

(viii) any provision of this Note or any other Transaction Document (shall at any time for any reason (other than pursuant to the express terms thereof)) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Company or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Company or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document.

(b) Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Holder may at its option: (a) declare the entire Loan Amount immediately due and payable; and (b) exercise any or all of its rights, powers, or remedies under the Transaction Documents or applicable law or available in equity.

4. Adjustment of Conversion Price and Number of Conversion Shares. Until the Note has been paid in full or converted in full, the Conversion Price and number of Conversion Shares issuable upon conversion of this Note are subject to adjustment from time to time as set forth in this Section 4.

(a) Stock Dividends and Splits. Without limiting any provision of Section 6, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(b) Calculations. All calculations under this Section 4 shall be made by rounding to the nearest 1/10000th of cent and the nearest 1/100th of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(c) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 4 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Conversion Price and the number of Conversion Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 4(c) will increase the Conversion Price or decrease the number of Conversion Shares as otherwise determined pursuant to this Section 4, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

5. Rights Upon Distribution of Assets. In addition to any adjustments pursuant to Section 4, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 4(a)) (a "**Distribution**"), at any time after the issuance of this Note and until this Note has been paid in full or converted in full, then, in each such case, provision shall be made so that upon conversion of this Note, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on conversion hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

6. Purchase Rights; Fundamental Transaction.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 5 herein, if at any time after the issuance of this Note and until this Note has been paid in full or converted in full the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. At any time after the issuance of this Note and until this Note has been paid in full or converted in full, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 5 and 6(a) above, which shall continue to be receivable thereafter)) issuable upon the conversion of this Note prior to the applicable Fundamental Transaction, such Ordinary Shares (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Note been converted immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares.

7. Reissuance of Note.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 7(d)), registered as the Holder may request, representing the outstanding Loan Amount being transferred by the Holder and, if less than the entire outstanding Loan Amount is being transferred, a new Note (in accordance with Section 7(d)) to the Holder representing the outstanding Loan Amount not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 2(c)(iv) following conversion or redemption of any portion of this Note, the outstanding Loan Amount represented by this Note may be less than the Loan Amount stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 7(d) and in Loan Amounts of at least $10,000) representing in the aggregate the outstanding Loan Amount of this Note, and each such new Note will represent such portion of such outstanding Loan Amount as is designated by the Holder at the time of such surrender.

(d) Issuance of New Note. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Loan Amount remaining outstanding (or in the case of a new Note being issued pursuant to Section 7(a) or Section 7(c), the Loan Amount designated by the Holder which, when added to the Loan Amount represented by the other new Notes issued in connection with such issuance, does not exceed the Loan Amount remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Execution Date of this Note, and (iv) shall have the same rights and conditions as this Note.

8. Voting Rights. The Holder shall have no voting rights as the holder of this Note, except as required by law, including but not limited to applicable corporate law of the State of Israel, and as expressly provided in this Note.

9. Covenants. Until this Note has been entirely converted, redeemed or otherwise satisfied in accordance with its terms:

(a) Rank. This Note shall be senior in right of payment to all other current and future Indebtedness to which the Company is a party, other than the Senior Indebtedness.

(b) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or pay any cash dividend or distribution on any of its capital stock (other than dividends by wholly-owned Subsidiaries to the Company) without the prior express written consent of the Holder.

(c) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Company and each of its Subsidiaries on the Issuance Date or any business substantially related or incidental thereto. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, modify its or their corporate structure or purpose.

(d) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(e) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(f) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

10. No Short Sales. The Holder covenants that through and including the first Trading Day following the full conversion or full repayment of this Note, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

11. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversions and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Note shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 4 hereof). The issuance of Ordinary Shares and certificates for Ordinary Shares as contemplated hereby upon the conversion of this Note shall be made without charge to the Holder or such Ordinary Shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

12. Payment of Collection, Enforcement and Other Costs. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company or any of its Subsidiaries shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the conversion of this Note, and (ii) shall, so long as any of the Loan Amount under this Note remains outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the conversion of this Note, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the conversion of this Note.

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 10(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Conversion Price and the number of Conversion Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Conversion Notice shall be definitive and may not be disputed or challenged by the Company.

16. Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by wire transfer of immediately available funds by providing the Company with prior written notice setting out the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day.

17. Transferability of Note. A Holder may transfer some or all of this Note, or any shares issuable upon conversion of this Note, without the consent of the Company, subject only to the limitations of Section 2(g) of the Securities Purchase Agreement.

18. Amendment. Except as otherwise provided herein, the provisions of this Note may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Majority. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar Convertible Note issued by the Company under the Securities Purchase Agreement.

19. Dispute Resolution. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the Conversion Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

20. Governing Law. This Note shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

21. Certain Defined Terms. For purposes of this Note, the following terms shall have the following meanings:

"**1934 Act**" means the Securities Exchange Act of 1934, as amended.

"**Bloomberg**" means Bloomberg, L.P.

"**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and the last closing trade price, respectively, for such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 19. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

"**Conversion Price**" means the lowest of (a) $2.50, and (b) the product of 75% multiplied by the arithmetic average of the VWAPs in the five (5) Trading Days prior to the Conversion Date, subject to adjustment as provided herein, however, in any case, the Conversion Price shall not be lower than $1.50.

"**Execution Date**" shall have the meaning set forth in the Securities Purchase Agreement.

"**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

"**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the federal and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

"**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

"**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

"**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

"**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

"**SEC**" means the Securities and Exchange Commission or the successor thereto.

"**Securities Purchase Agreement**" means that certain securities purchase agreement by and among the Company and the Holder, dated as of the Execution Date, as may be amended from time to time in accordance with the terms thereof.

"**Senior Indebtedness**" means any Indebtedness of the Company or its Subsidiaries incurred prior to the Execution Date, including Indebtedness that is secured by any Lien on any assets of the Company or any of its Subsidiaries, including under any bank or seller-backed financing secured by real or personal property.

"**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

"**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

"**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal securities exchange or securities market on which such security is then traded during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 19. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

[*Signature Page Follows*]

IN WITNESS WHEREOF, Holder and the Company have caused their respective signature page to this Convertible Note to be duly executed as of the date first written above.

COMPANY

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

[Signature Page to Convertible Note]

HOLDER

_____

By: _____

Name:
Title:

[Signature Page to Convertible Note]

* * * * *

EXHIBIT A

HUB CYBER SECURITY LTD.
CONVERSION NOTICE

Reference is made to that certain Convertible Note (the "**Note**") issued by HUB Cyber Security Ltd., an Israeli company (the "**Company**") to the undersigned Holder on _____. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Note.

The undersigned holder hereby exercises the right to convert the portion of the Note indicated below into Ordinary Shares as of the date specified below.

Conversion Date: _____

Loan Amount to be Converted: _____

Applicable Conversion Price: _____

Number of Ordinary Shares to be issued: _____

Please issue the Ordinary Shares into which the Note is being converted in the following name and to the following address:

Issue to: _____
Address: _____

Holder: _____

By: _____
Title: _____

Dated: _____

Account Number (if electronic book entry transfer): _____

Transaction Code Number (if electronic book entry transfer): _____

EXHIBIT B

ACKNOWLEDGMENT

HUB Cyber Security Ltd., an Israeli company (the "**Company**") hereby acknowledges its receipt of the enclosed Conversion Notice and hereby directs [_____] to issue the above indicated number of Ordinary Shares in accordance with the Irrevocable Transfer Agent Instructions dated [_____ __, 20__] from the Company and acknowledged and agreed to by [_____].

HUB CYBER SECURITY LTD.

By: _____

Name: _____

Title: _____

Exhibit 4.28

FORM OF WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

HUB CYBER SECURITY LTD.

WARRANT TO PURCHASE ORDINARY SHARES

Date of Issuance: _____ ("**Issuance Date**")

HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), _____ (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**"). This Warrant is one of the Warrants to purchase Ordinary Shares (the "**SPA Warrants**") issued to Holder pursuant to that certain Securities Purchase Agreement, dated as of _____, by and among the Company and the investor(s) referred to therein (the "**Securities Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(c)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1^{st}) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by email an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the second (2^{nd}) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall, (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Exercise Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Exercise Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means the Closing Sale Price of the Ordinary Shares as of the Issuance Date.

(c) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act (as defined in the Securities Purchase Agreement) and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Warrant. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant or securities issued pursuant to the Securities Purchase Agreement.

(d) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(e) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(e); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Holder may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

(f) No Short Sales. The Holder covenants that through and including the first Trading Day following the full exercise or expiration of this Warrant, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. During such time as this Warrant is outstanding, the Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if during such time as this Warrant is outstanding, the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at during such time as this Warrant is outstanding the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. During such time as this Warrant is outstanding, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property (together, the "**Fundamental Transaction Consideration**"), which the Holder would have been entitled to receive upon the closing of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (net of the exercise price at the closing of the applicable Fundamental Transaction); provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

(c) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. During such time as this Warrant is outstanding, the Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (iii) shall, so long as any of the SPA Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the SPA Warrants, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144 under the Securities Act, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 10(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least two (2) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least two (2) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(c)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Majority, provided that the Company may lower the Exercise Price or extend the Expiration Date without the consent of the Holder. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar warrant issued under the Securities Purchase Agreement. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

15. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

16. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bloomberg**" means Bloomberg, L.P.

(b) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(d) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(e) "**Eligible Market**" means the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(f) "**Expiration Date**" means the date that is January 1, 2027 or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(g) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(h) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(i) "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(j) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(k) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(l) "**Principal Market**" means the Nasdaq Capital Market.

(m) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(n) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(o) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD.

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE ORDINARY SHARES

HUB CYBER SECURITY LTD.

The undersigned holder of the attached warrant (the "**Warrant**") hereby exercises the right to purchase in respect of, _____ of the Ordinary Shares ("**Warrant Shares**") of HUB Cyber Security Ltd., an Israeli company (the "**Company**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. The Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

2. Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

Account Number: _____
(if electronic book entry transfer)

Transaction Code Number: _____
(if electronic book entry transfer)

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of _____ (the "**Execution Date**"), between HUB Cyber Security Ltd., an Israeli company (the "**Company**"), and the investors identified on the signature pages hereto (each a "**Buyer**" and, collectively, the "**Buyers**").

RECITALS

A. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) or Regulation D ("**Regulation D**") under the Securities Act of 1933, as amended (the "**1933 Act**"), as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

B. The Buyers wish to purchase, and the Company wishes to sell, upon the terms and subject to the conditions stated in this Agreement, (i) convertible unsecured notes in the form attached hereto as **Exhibit A** (each a "**Convertible Note**" and, collectively, the "**Convertible Notes**"), convertible into Ordinary Shares (the "**Conversion Shares**") pursuant to the terms set forth therein, and (ii) warrants, in the form attached hereto as **Exhibit B** (each a "**Warrant**" and, collectively, the "**Warrants**"), to acquire Ordinary Shares pursuant to the terms set forth therein (the "**Warrant Shares**").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF CONVERTIBLE NOTES AND WARRANTS.

(a) Convertible Notes and Warrants. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer shall purchase from the Company on the applicable Closing Date (as defined below), Convertible Notes in an aggregate principal amount as set forth on each Buyer's respective signature page hereto, along with Warrants to initially acquire up to the aggregate number of Warrant Shares as set forth on each Buyer's respective signature page hereto.

(b) Closing. The aforementioned issuances, sales and deliveries of Convertible Notes and Warrants shall take place as soon as practicable following the date hereof, but no later than the Business Day following the satisfaction or waiver of all of the closing conditions set forth in Sections 6 and 7 (the "**Closing**" and such date of a Closing being, the "**Closing Date**").

(c) Payment of Purchase Price; Delivery of Securities. On the Closing Date, each Buyer shall pay the principal amount as set forth on each Buyer's respective signature page hereto (the "**Purchase Price**") to the Company by wire transfer of immediately available funds in accordance with the Company's written wire instructions and the Company shall issue to each Buyer a Convertible Note with the principal amount set forth on such Buyer's respective signature page hereto, and Warrants to acquire Warrant Shares in the amount as indicated on the signature page hereto, in all cases, duly executed on behalf of the Company and registered in the name of such Buyer or its designee.

(d) Taxes. The Company shall be entitled to withhold Israeli tax on any payment of interest, unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants to the Company, on behalf of itself, that:

(a) Organization; Authority. Such Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring, or will acquire, the Convertible Notes and Warrants, (ii) upon conversion of its Convertible Notes, will acquire the Conversion Shares issuable upon conversion thereof, and (iii) upon exercise of its Warrants will acquire the Warrant Shares issuable upon exercise thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, acknowledge that they have been furnished with or provided access via EDGAR to the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K as well as Registration Statements on Form F-1 or F-4 (including amendments thereto). Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information such Buyer has requested which is necessary to verify the accuracy of the information furnished to such Buyer concerning the Company and such offering. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. Such Buyer acknowledges that such Buyer is basing its decision to invest in the Securities solely upon the information contained in the Transaction Documents, the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K, if any, and its own due diligence and, except as specifically set forth in this Agreement, has not based its investment decision upon any representations made by any Person (as defined below).

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands, that except as provided in Section 4(e) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) ("**Rule 144**"); and (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement. The execution and delivery of the Transaction Documents and the consummation by such Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Buyer and no further consent or authorization of such Buyer or its members is required. Each Transaction Document has been duly executed by such Buyer and when delivered in accordance with terms hereof and thereof, constitutes the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the consummation by such Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of such Buyer to perform its obligations hereunder.

(j) Experience of Buyer. Such Buyer has such knowledge, sophistication and experience in business and financial matter so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Buyer is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(k) Foreign Corrupt Practices. Neither such Buyer nor any of its subsidiaries or affiliates, nor, to the knowledge of such Buyer, any director, officer, agent, employee, member or other Person acting on behalf of such Buyer or any its subsidiaries or affiliates has, in the course of its actions for, or on behalf of, such Buyer or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any foreign or domestic government official or employee.

(l) General Solicitation. Such Buyer is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or advertisement.

(m) Patriot Act Representations.

(i) Such Buyer represents that all evidence of identity provided is genuine and all related information furnished is accurate.

(ii) Such Buyer hereby acknowledges that the Company seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of such efforts, such Buyer hereby represents and agrees that: (A) no part of the funds used by such Buyer to acquire the Securities have been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations; and (B) no payment to the Company by such Buyer shall cause the Company to be in violation of any applicable anti-money laundering laws and regulations including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Executive Order 13224 (2001) (the "Patriot Act") issued by the President of the United States and the U.S. Department of the Treasury Office of Foreign Assets Control ("OFAC") regulations.

(iii) Such Buyer represents and warrants that the amounts to be paid by such Buyer to the Company will not be directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Such Buyer represents and warrants that, to the best of its knowledge, none of: (A) such Buyer; (B) any Person controlling or controlled by such Buyer; or (C) any Person having a beneficial interest in such Buyer is (I) a country, territory, individual or entity named on a list maintained by OFAC, (II) a Person prohibited under the OFAC Programs, (III) a senior foreign political figure,[1] or any immediate family member[2] or close associate[3] of a senior foreign political figure as such terms are defined in the footnotes below or (IV) a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. §5311 et seq.), as amended (the "Bank Secrecy Act") and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(iv) Such Buyer further represents and warrants that such Buyer: (A) has conducted thorough due diligence with respect to all of its beneficial owners, (B) has established the identities of all beneficial owners and the source of each of the beneficial owner's funds and (C) will retain evidence of any such identities, any such source of funds and any such due diligence.

(v) Neither such Buyer nor any Person directly or indirectly controlling, controlled by or under common control with such Buyer is a person identified as a terrorist organization on any relevant lists maintained by governmental authorities.

(vi) Such Buyer agrees to provide the Company all information that may be reasonably requested to comply with applicable laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of such Buyer from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information. Such Buyer agrees to notify the Company promptly if there is any change with respect to the representations and warranties provided herein. Such Buyer consents to the disclosure to regulators and law enforcement authorities by the Company and its affiliates and agents of any information about such Buyer or its constituents as the Company reasonably deems necessary or appropriate to comply with applicable anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders.

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1 A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

2 "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

3 A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyers the matters set forth in this Section 3. These representations and warranties are current as of the date of this Agreement, except to the extent that a representation or warranty expressly states that such representation or warranty is current only as of an earlier date. If any information is so reflected as of an earlier date, there have been no material changes since such date to the date hereof.

(a) Organization and Qualification. Each of the Company and each of its subsidiaries are (i) entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed (to the extent such concept exists in the applicable jurisdiction), and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and (ii) is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction (to the extent such concept exists in the applicable jurisdiction) in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes and the issuance of the Warrants and the reservation for issuance and issuance of the Conversion Shares upon conversion of the Convertible Notes and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants) have been (i) duly authorized by the Company's board of directors and (ii) no further filing, consent or authorization is required by the Company, its board of directors or its shareholders or other governing body of the Company (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(f) of this Agreement). This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

(c) Issuance of Securities. The issuance of the Securities is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, Liens, charges and other encumbrances with respect to the issue thereof. As of the Closing, the Company shall have reserved from its duly authorized capital stock not less than the maximum number of Conversion Shares issuable upon conversion of the Convertible Notes (without taking into account any limitations on the conversion of the Convertible Notes set forth therein) and (ii) the maximum number of Warrant Shares issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein). Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Upon issuance in accordance with the terms of the Transaction Documents, Buyers will have good and marketable title to the Securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares and the reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) result in a violation of the Articles of Association of the Company or other organizational documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws or operating agreements of the Company or any of its subsidiaries or (ii) result in a violation of any law, rule, regulation, order, judgment or decree, except, in the case of this clause (ii), to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(e) Consents. Neither the Company nor any subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with any court, governmental agency or any regulatory or self-regulatory agency or any other Person (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(f) of this Agreement), in order for it to execute, deliver or perform any of its respective obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations that the Company is required to obtain at or prior to the Closing have been obtained or effected on or prior to the Closing Date, and the Company is not aware of any facts or circumstances that might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents.

(f) Acknowledgment Regarding Buyers' Purchase of Securities. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that such Buyer is not (i) an officer or director of the Company, (ii) an affiliate (as defined in Rule 405 of the 1933 Act) of the Company (an "**Affiliate**") or (iii) to its knowledge, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the 1934 Act) of more than 10% of the Ordinary Shares. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company or any of its subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by such Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to such Buyer that the Company's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company and its representatives.

(g) Regulation D; Placement Agent's Fees. Neither the Company nor any of its affiliates (as defined in Regulation 501 under the 1933 Act) nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offering of the Securities and it and they have complied and will comply with the offering restrictions requirement of Regulation D. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, or brokers' commissions, relating to or arising out of the transactions contemplated hereby.

(h) No Integrated Offering. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company under any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested shareholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the Articles of Association or other organizational documents of the Company or any of its Affiliates or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to each Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and such Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Ordinary Shares or a change in control of the Company or any of its Affiliates.

(j) SEC Documents; Financial Statements. As of their respective dates, all reports, schedules, forms, statements and other documents required to be filed by the Company with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing, as well as all registration statements under the 1933 Act, filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**") complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its dates, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude the footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). No other information provided by or on behalf of the Company to each Buyer which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

(k) Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1 if filed more recently), except as disclosed in the SEC Documents filed subsequent to such Form 20-F (or Form F-1, as applicable), there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), or condition (financial or otherwise) of the Company and its subsidiaries. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1, as applicable), neither the Company nor any of its subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets outside of the ordinary course of business or (iii) made any material capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up.

(l) No Undisclosed Events, Liabilities, Developments or Circumstances. Except as disclosed in the SEC Documents, no event, liability, development or circumstance has occurred or exists, or is reasonably expected to occur or exist with respect to the Company or any of its subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise) that would have a Material Adverse Effect on the Company.

(m) Conduct of Business; Regulatory Permits. Neither the Company nor any of its subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its subsidiaries, and the Company will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Since February 28, 2023, (i) the Ordinary Shares have been designated for quotation on the Principal Market, (ii) trading in the Ordinary Shares has not been suspended by the SEC or the Principal Market and (iii) except as disclosed in the SEC Documents, the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension of the Ordinary Shares from the Principal Market. The Company and each of its subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(n) Foreign Corrupt Practices. Neither the Company nor any of its subsidiaries nor to the knowledge of the Company, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its subsidiaries (as applicable) has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(o) Sarbanes-Oxley Act. Except as set forth in the SEC Documents, the Company and each of its subsidiaries is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder.

(p) Transactions With Affiliates. Except as disclosed in the SEC Documents, none of the officers, directors, employees or Affiliates of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors and immaterial transactions), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or Affiliate or, to the knowledge of the Company, any corporation, partnership, trust or other Person in which any such officer, director, employee or Affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(q) Equity Capitalization. All of the Company's outstanding Ordinary Shares are duly authorized and have been, or upon issuance will be, validly issued, fully paid and non-assessable. Except as disclosed in the SEC Documents: (i) to the Company's knowledge, no Person owns 10% or more of the Company's issued and outstanding Ordinary Shares; (ii) the Company's capital stock and the capital stock of its subsidiaries are not subject to preemptive rights or any other similar rights or any Liens; (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional capital stock or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, respectively (other than as may be issued from time to time under any equity incentive plan maintained); (iv) except for the Convertible Securities, there are no outstanding debt securities, convertible notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound. The SEC Documents contain true, correct and complete copies of the Company's Articles of Association, as amended and as in effect on the date, and the terms of all securities convertible into, or exercisable or exchangeable for, Ordinary Shares and the material rights of the holders thereof.

(r) Indebtedness and Other Contracts. Except as disclosed in the SEC Documents, each of the Company and its subsidiaries (i) does not have any material outstanding Indebtedness, Indebtedness secured by any Lien on any assets of the Company or any of its subsidiaries or other material debt obligations, except for the Convertible Securities, (ii) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is not in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, and (iv) is not a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction.

(s) Litigation. Except as disclosed in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries, the Ordinary Shares or any of the Company's or its subsidiaries' executive officers or directors which would be reasonably likely to adversely affect the transactions contemplated by this Agreement or would require disclosure in the SEC Documents.

(t) Insurance. The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged. Neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(u) Employee Relations. Neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement nor does it employ any member of a union. To the knowledge of the Company, no executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters.

(v) Title. The Company and its subsidiaries have good and marketable title to (i) all real property owned by it and (ii) all personal property, owned by them which is material to the business of the Company and its subsidiaries, in each case, free and clear of all Liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its subsidiaries. Any real property and facilities held under lease by the Company and any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its subsidiaries.

(w) Intellectual Property Rights. The Company and its subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted. Except as disclosed in the SEC Documents, none of the Company's or its subsidiaries' Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within three years from the date of this Agreement, which could reasonably be expected to result in a Material Adverse Effect.

(x) Tax Status. Each of the Company and its subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply and except in each case where the failure to file, pay or set aside could not be reasonably expected to have a Material Adverse Effect. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(y) Internal Accounting and Disclosure Controls. Except as disclosed in the SEC Documents, the Company and each of its subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Except as disclosed in the SEC Documents, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

(z) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(aa) U.S. Real Property Holding Corporation. Neither the Company nor any of its subsidiaries is or has ever been, and so long as any of the Securities are held by any Buyer, shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company and each subsidiary shall so certify upon any Buyer's request.

(bb) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(cc) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i).

(dd) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its subsidiaries or any other business entity or enterprise with which the Company or any of its subsidiaries is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its subsidiaries.

(ee) Money Laundering. The Company and its subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, without limitation, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(ff) Disclosure. All disclosure provided to any Buyer regarding the Company, its subsidiaries, their respective businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. COVENANTS.

(a) Use of Proceeds. The Company shall use the proceeds from the sale of the Convertible Notes and the Warrants for general corporate purposes.

(b) Financial Information. Until the date on which the Buyers shall have sold all of the Registrable Securities (the "**Reporting Period**"), the Company agrees to send the following to each Buyer unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, (i) within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, any interim reports or any consolidated balance sheets, income statements, shareholders' equity statements and/or cash flow statements for any period other than annual, any Reports of Foreign Private Issuers on Form 6-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) on the same day as the release thereof, facsimile copies of all press releases issued by the Company and (iii) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders.

(c) Listing. The Company shall use its commercially reasonable efforts to promptly secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities consisting of Ordinary Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) so that all such Registrable Securities consisting of Ordinary Shares may be traded on the foregoing, subject to official notice of issuance, and shall maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall use its commercially reasonable efforts to maintain the Ordinary Shares' listing or designation for quotation (as the case may be) on the Principal Market, The New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market or the Nasdaq Global Market (each, an "**Eligible Market**"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market.

(d) Fees. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, transfer agent fees, DTC fees or broker's commissions, relating to or arising out of the transactions contemplated hereby. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to each Buyer.

(e) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by each Buyer in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and each Buyer effecting a pledge of Securities shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document. At each Buyer's expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by each Buyer provided that the Company shall be under no obligation to deliver any legal opinion required in connection therewith unless required by the Company's transfer agent to be issued by the Company's legal counsel.

(f) Disclosure of Transactions and Other Material Information. The Company shall not, and the Company shall cause each of its officers, directors, employees and agents not to, provide each Buyer with any material, non-public information regarding the Company from and after the Execution Date without the express prior written consent of such Buyer. Subject to the foregoing, neither the Company nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of each Buyer, to make any press release or other public disclosure with respect to such transactions as is required by applicable law and regulations (provided that such Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of each Buyer, the Company shall not (and shall cause each of its affiliates to not) disclose the name of such Buyer in any filing (other than as required by applicable law or rules and regulations), announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that each Buyer has not had, and such Buyer shall not have (unless expressly agreed to by such Buyer after the date hereof in a written definitive and binding agreement executed by the Company and such Buyer), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any information regarding the Company or any of its subsidiaries (as applicable) that such Buyer receives from the Company, any of its subsidiaries or any of its or its officers, directors, employees, shareholders or agents.

(g) Reservation of Shares. As long as any of the Convertible Notes and Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance, no less than the number of Ordinary Shares issuable upon conversion of the Convertible Notes and exercise of the Warrants.

(h) Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(i) Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

5. TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent in a form acceptable to each Buyer to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**"), registered in the name of such Buyer or its respective nominee(s), for the Conversion Shares and the Warrant Shares in such amounts as specified from time to time by such Buyer to the Company, and confirmed by the Company, upon the conversion of the Convertible Notes or the exercise of the Warrants (as the case may be). The Company represents and warrants that no instruction other than such irrevocable transfer agent instructions referred to in this Section 5(a), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If any Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares or Warrant Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(c) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a)will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(b) Legends. Each Buyer understands that the Securities have not been (or will not be in the case of the Conversion Shares and Warrant Shares) registered under the 1933 Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144 or pursuant to another exemption from the registration requirements of the 1933 Act, and except as set forth below, the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> [NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE [CONVERTIBLE]/[EXERCISABLE] HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(c) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(b) above or any other legend (i) while a registration statement covering the resale of such Securities is effective under the 1933 Act (provided that each Buyer provides the Company with any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or a registration statement, (iii) in connection with a sale, assignment or other transfer under Rule 144 (provided that each Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that each Buyer provides the Company with an opinion of counsel to such Buyer from reputable counsel to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) Trading Days following the delivery by any Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(c), as directed by such Buyer, credit the aggregate number of Ordinary Shares to which each Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system.

(d) Manner of Sale. Each Buyer, severally and not jointly with the other Buyers, agrees with the Company that such Buyer will sell any Securities pursuant to either the registration requirements of the 1933 Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 5 is predicated upon the Company's reliance upon this understanding.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Convertible Notes and Warrants to each Buyer at the applicable Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Each Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Each Buyer shall have delivered to the Company the Purchase Price for the Convertible Notes and Warrants being purchased by such Buyer at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of each Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

7. CONDITIONS TO BUYERS' OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Convertible Notes and Warrants at the Closing is subject to the satisfaction, at or before each applicable Closing Date and in respect of each such Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to each Buyer each of the Transaction Documents to which the Company is a party and the Company shall have duly executed and delivered to such Buyer the Convertible Notes and Warrants as is set forth on the applicable signature page hereto and the Company shall have complied in all material respects with all obligations under this Agreement and the other Transaction Documents, including, without limitation, the Convertible Notes and the Warrants.

(ii) Each and every representation and warranty of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date. Each Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, (i) to the foregoing effect and (ii) verifying the accuracy of Section 7(a)(vi) herein.

(iii) The Ordinary Shares (A) shall be designated for quotation on the Principal Market; and (B) shall not have been suspended, as of the Closing Date, by the SEC or the Principal Market from trading on the Principal Market.

(iv) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market.

(v) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents, and no actions, suits or proceedings shall be pending by any governmental authority that seeks to enjoin, prohibit or otherwise adversely affect any of the transactions contemplated by the Transaction Documents.

(vi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect and the Company has not filed for nor is it subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company.

(vii) The Company shall have delivered to each Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement reasonably required to consummate the transactions contemplated hereby.

8. TERMINATION.

In the event that the Closing shall not have occurred within ten (10) days after the date hereof (the "**Expiration Date**"), then this Agreement shall terminate with respect to the applicable Buyer on the close of business on the Expiration Date without liability to any other party; provided, however, that the right to terminate this Agreement under this Section 8 shall not be available to such Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Buyer's breach of this Agreement. Notwithstanding anything to the contrary above, nothing contained in this Section 8 shall be deemed to release any party hereto from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party hereto to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. CERTAIN DEFINITIONS

(a) 1934 Act. The "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

(b) Business Day. "**Business Day**" means any day other than a Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) Convertible Securities. "**Convertible Securities**" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Ordinary Shares).

(d) Indebtedness. "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the purchase price of property or assets, including indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), other than trade payables entered into in the ordinary course of business, (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, (E) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, and (F) all indebtedness referred to in clauses (A) through (E) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any material property or assets (including accounts and contract rights) owned by such Person, even though the Person has not assumed or become liable for the payment of such indebtedness.

(e) Lien. "**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the 1933 Act and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

(f) Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its subsidiaries to perform any of its respective obligations under any of the Transaction Documents (as defined below).

(g) Ordinary Shares. "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(h) Person. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(i) Principal Market. "**Principal Market**" means the Nasdaq Capital Market; provided however, that in the event the Ordinary Shares are ever listed or traded on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, then the "Principal Market" shall mean such other market or exchange on which the Ordinary Shares is then listed or traded.

(j) Registrable Securities. "**Registrable Securities**" means (i) the Conversion Shares, (ii) the Warrant Shares and (iii) any capital stock of the Company issued or issuable with respect to such Conversion Shares and the Warrant Shares, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which the Ordinary Shares is converted or exchanged, in each case, without regard to any limitations on exercise or exchange of the Convertible Notes or Warrants. As to any Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a registration statement with respect to the sale of such securities shall have become effective under the 1933 Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent public distribution of them shall not require registration under the 1933 Act; or (c) such securities are freely saleable under Rule 144.

(k) Securities. "**Securities**" means the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares.

(l) Subsidiaries. "**Subsidiary**" or "**subsidiary**" means with respect to a Person, any Person in which that other Person, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person; provided, that a Person shall not be deemed a subsidiary pursuant to clauses (I) or (II) unless the Person, directly or indirectly, owns at least 51% of any of the outstanding capital stock or holds at least 51% of any equity or similar interest of such Person.

(m) Trading Day. "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

(n) Transaction Documents. "**Transaction Documents**" means, collectively, this Agreement, the Convertible Notes, the Warrants, and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

10. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or under any of the other Transaction Documents or in connection herewith or therewith or with any transaction contemplated hereby or thereby or discussed herein or therein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties hereto as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties hereto or the practical realization of the benefits that would otherwise be conferred upon the parties hereto. The parties hereto will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its affiliates and Persons acting on its behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties hereto solely with respect to the matters covered herein and therein. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Buyers who have transferred to the Company a majority of the aggregate Purchase Price hereunder (the "**Required Majority**"). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. The Company has not, directly or indirectly, made any agreements with any Buyer relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by any Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iii) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

HUB Cyber Security Ltd.
2 Kaplan St.
Tel Aviv 6473403, Israel
Tel: +972-3-924-4074
Email Address: Osher Partok Rheinisch, Chief Legal Officer
Attention: osher.p.rheinisch@hubsecurity.io

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: adam.klein@goldfarb.com; daniel.kahn@goldfarb.com

If to a Buyer:

See Buyer's signature page hereto

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication or (B) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (i) or (iii) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (ii) above.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and its successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers, including, without limitation, by way of a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the applicable Warrants).

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and its permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 10(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive the Closing until the applicable statute of limitations. Each Buyer shall be responsible only for its representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless such Buyer and each holder of any Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to any material (A) misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (B) breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (C) cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company, but other than by an affiliate of any Buyer) or which otherwise involves such Indemnitee that arises out of or results from (I) the execution, delivery, performance or enforcement of any of the Transaction Documents, (II) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (III) any disclosure properly made by any Buyer pursuant to Section 4(f), or (IV) the status of any Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement, unless such action is based upon a breach of such Buyer's representations, warranties, or covenants under the Transaction Documents, or any agreements or understandings such Buyer may have with any such third party, or any violations by such Buyer of state or federal securities laws or any conduct by such Buyer which constitutes fraud, gross negligence or willful misconduct.

(ii) Promptly after receipt by an Indemnitee under this Section 10(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 10(k), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (i) the Company has agreed in writing to pay such fees and expenses; or (ii) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

(iii) The indemnification required by this Section 10(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iv) Notwithstanding any provision in this Agreement or any other Transaction Documents, the aggregate indemnification obligations of the Company pursuant to this Section 10(k) shall not exceed 100% of the aggregate Purchase Price actually paid by the Buyers.

(v) The sole and exclusive remedy for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Section 10(k), and each Buyer expressly waives any other rights or remedies it may have; provided however, that equitable relief, including remedies of specific performance and injunction, shall be available with respect to any matter where money damages would not be sufficient to compensate any Buyer or to preserve the rights of such Buyer pending resolution of a dispute, and this Section 10(k) shall not relieve the Company from liability for willful misconduct, gross negligence, bad faith, fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement.

(m) Remedies. Each Buyer and each holder of any Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security, to the extent permitted by law), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to each Buyer. The Company therefore agrees that each Buyer shall be entitled to seek specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Exercise of Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may continue to exercise it other rights, elections, demands and options hereunder and under any other Transaction Document from time to time as if such original right, election, demand or option had not been exercised without prejudice to its future actions and rights and remedies.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to such Buyer hereunder or pursuant to any other Transaction Document or any Buyer enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

[*signature pages follow*]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

HUB Cyber Security Ltd.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

Name of Buyer: _____

Signature of Authorized Signatory of Buyer: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory:_____

Address for Notice to Buyer: _____

Purchase Price: $[____]

Conversion Price: The arithmetic average of the Closing Sale Prices (as defined in the Convertible Notes) of the Ordinary Shares in the five (5) Trading Days prior to the Conversion Date (as defined in the Convertible Notes), subject to adjustment as provided in the Convertible Notes, however, in any case, the Conversion Price shall not be lower than $1.50.

Warrant Shares: [ ] Ordinary Share[s] for every Conversion Share issuable to Buyer under the terms of the Convertible Notes (based upon the number of Conversion Shares that would be issuable on the applicable Closing Date).

Exercise Price per Warrant Share: The arithmetic average of the Closing Sale Prices (as defined in the Warrants) of the Ordinary Shares in the five (5) Trading Days prior to the Issuance Date (as defined in the Warrants), subject to adjustment as provided in the Warrants.

Exhibit 4.30

NEITHER THE ISSUANCE AND SALE OF THIS CONVERTIBLE NOTE NOR THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE I44A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 8 HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

HUB Cyber Security Ltd.

Convertible Note

Issuance Date: _____ Loan Amount: U.S. $ _____

FOR VALUE RECEIVED, HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby promises to pay to the order of _____, or its registered assigns ("**Holder**") the principal sum set forth above as the original Loan Amount (as reduced pursuant to the terms hereof pursuant to redemption or otherwise, the "**Loan Amount**") from the date set out above as the Issuance Date. This Convertible Note (with all notes issued in exchange, transfer or replacement hereof, this "**Note**") is issued pursuant to that certain Securities Purchase Agreement, dated as of _____, by and between the Company and the Holder (the "**Securities Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

1. Payments of Loan Amount. The Loan Amount under this Note shall be payable as follows:

(a) The outstanding Loan Amount shall not accrue interest.

(b) Unless earlier converted into Ordinary Shares, the outstanding Loan Amount will be due and payable by the Company on the three (3) year anniversary of the Issuance Date.

(c) All payments made under this Note will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company.

2. Conversion. This Note shall be convertible into validly issued, fully paid and non-assessable Ordinary Shares on the terms and conditions set forth in this Section 2.

(a) Conversion. Subject to the provisions of Section 2(e), at any time or times on or after the Execution Date, the Holder shall be entitled to convert any portion or the entirety of the outstanding Loan Amount into validly issued, fully paid and non-assessable Ordinary Shares ("**Conversion Shares**") in accordance with Section 2(c). Any such portion of the outstanding Loan Amount to be converted in accordance with this Section 2 is referred to herein as the "**Conversion Amount**."

(b) Conversion Shares. The number of Conversion Shares issuable upon conversion of the Conversion Amount shall be determined according to the following formula:

$$\frac{\text{Conversion Amount}}{\text{Conversion Price}}$$

No fractional Ordinary Shares are to be issued upon the conversion of this Note. If the issuance would result in the issuance of a fraction of a share, the Company shall round such fraction of a share up to the nearest whole share.

(c) Mechanics of Conversion. The conversion shall be conducted in the following manner:

(i) Holder's Conversion. To convert all or a portion of this Note into Conversion Shares on any date (a "**Conversion Date**"), a Holder shall deliver to the Company (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion in the form attached hereto as **Exhibit A** (the "**Conversion Notice**").

(ii) Company's Response. Not later than the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by email an acknowledgment of confirmation, in the form attached hereto as **Exhibit B**, of receipt of such Conversion Notice to such Holder and the Company's transfer agent (the "**Transfer Agent**"), which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second (2nd) Trading Day following the date of receipt by the Company of such Conversion Notice, the Company shall (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Conversion Shares to which the Holder is entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Conversion Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Conversion Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Conversion Notice), for the number of Conversion Shares to which the Holder is entitled pursuant to such conversion. Upon delivery of a Conversion Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Conversion Shares with respect to which such Conversion Notice was issued, irrespective of the date such Conversion Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Conversion Shares (as the case may be).

(iii) Disputes. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the number of Conversion Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Conversion Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 19.

(iv) Book-Entry. Notwithstanding anything to the contrary set forth in this Section 2, upon conversion of any portion of this Note in accordance with the terms hereof, no Holder thereof shall be required to physically surrender this Note to the Company. If this Note is surrendered as provided by Section 7, then, provided that there remains any outstanding Loan Amount under this Note at the time of surrender, the Company shall, as soon as practicable and in no event later than three (3) Trading Days after receipt of this Note and at its own expense, issue and deliver to such Holder (or its designee) a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount (if any) under this Note. Each Holder and the Company shall maintain records showing the portion of the Note so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Company, so as not to require physical surrender of the Note upon each such conversion. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any portion of the Note, the outstanding Loan Amount represented by such Note may be less than stated on the face thereof. Each Note shall bear the following legend:

ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 7(A) HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

(d) Taxes. The Company shall be entitled to withhold Israeli tax on any payment of interest, unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in this Note, this Note shall not be convertible or exchangeable by the Holder hereof to the extent (but only to the extent), after giving effect to the issuance of Ordinary Shares issuable upon such conversion, the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares then outstanding, as calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Note shall be convertible or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to convert or exchange this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Note. The limitations contained in this paragraph shall apply to a successor Holder of this Note. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Note or securities issued pursuant to the Securities Purchase Agreement.

(f) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Note a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

3. Rights upon Event of Default; Acceleration.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**":

(i) the Company's failure to maintain sufficient reserves of its authorized and unissued Ordinary Shares to redeem the maximum number of Conversion Shares issuable upon conversion of all the Convertible Notes then outstanding;

(ii) the Company's (A) failure to timely deliver the required number of Ordinary Shares upon conversion of this Note, and any such failure remains uncured for a period of five (5) Business Days, or (B) notice, written or oral, to any holder of the Convertible Notes, including, without limitation, by way of public announcement or through any of its agents, at any time, of its intention not to comply, as required, with a request for conversion of any Convertible Notes into Ordinary Shares that is requested in accordance with the provisions of the Convertible Notes, in each case, other than pursuant to Section 2(e);

(iii) the Company fails to remove any restrictive legend on any certificate or any Ordinary Shares issued to the Holder upon conversion or exercise (as the case may be) of the Note as and when required by the Securities Purchase Agreement, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for a period of five (5) Business Days;

(iv) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, which have not been dismissed within sixty (60) days of their initiation;

(v) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a UCC foreclosure sale or any other similar action under federal, state or foreign law;

(vi) the entry by a court of (A) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (B) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law or (C) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of sixty (60) consecutive days;

(vii) other than as specifically set forth in another clause of this Section 3(a), the Company or any Subsidiary materially breaches any representation or warranty when made, or any covenant or other term or condition of this Note or any other Transaction Document, and, only, in the case of a material breach of a covenant or other term or condition that is curable, if such breach remains uncured for a period of twenty (20) consecutive Trading Days after the delivery by Holder of written notice thereof;

(viii) any provision of this Note or any other Transaction Document (shall at any time for any reason (other than pursuant to the express terms thereof)) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Company or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Company or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document.

(b) Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Holder may at its option: (a) declare the entire Loan Amount immediately due and payable; and (b) exercise any or all of its rights, powers, or remedies under the Transaction Documents or applicable law or available in equity.

4. Adjustment of Conversion Price and Number of Conversion Shares. Until the Note has been paid in full or converted in full, the Conversion Price and number of Conversion Shares issuable upon conversion of this Note are subject to adjustment from time to time as set forth in this Section 4.

(a) Stock Dividends and Splits. Without limiting any provision of Section 6, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(b) Calculations. All calculations under this Section 4 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(c) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 4 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Conversion Price and the number of Conversion Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 4(c) will increase the Conversion Price or decrease the number of Conversion Shares as otherwise determined pursuant to this Section 4, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

5. Rights Upon Distribution of Assets. In addition to any adjustments pursuant to Section 4, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 4(a)) (a "**Distribution**"), at any time after the issuance of this Note and until this Note has been paid in full or converted in full, then, in each such case, provision shall be made so that upon conversion of this Note, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on conversion hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

6. Purchase Rights; Fundamental Transaction.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 5 herein, if at any time after the issuance of this Note and until this Note has been paid in full or converted in full the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. At any time after the issuance of this Note and until this Note has been paid in full or converted in full, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 5 and 6(a) above, which shall continue to be receivable thereafter)) issuable upon the conversion of this Note prior to the applicable Fundamental Transaction, such Ordinary Shares (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Note been converted immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares.

7. Reissuance of Note.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 7(d)), registered as the Holder may request, representing the outstanding Loan Amount being transferred by the Holder and, if less than the entire outstanding Loan Amount is being transferred, a new Note (in accordance with Section 7(d)) to the Holder representing the outstanding Loan Amount not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 2(c)(iv) following conversion or redemption of any portion of this Note, the outstanding Loan Amount represented by this Note may be less than the Loan Amount stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 7(d) and in Loan Amounts of at least $10,000) representing in the aggregate the outstanding Loan Amount of this Note, and each such new Note will represent such portion of such outstanding Loan Amount as is designated by the Holder at the time of such surrender.

(d) Issuance of New Note. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Loan Amount remaining outstanding (or in the case of a new Note being issued pursuant to Section 7(a) or Section 7(c), the Loan Amount designated by the Holder which, when added to the Loan Amount represented by the other new Notes issued in connection with such issuance, does not exceed the Loan Amount remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Execution Date of this Note, and (iv) shall have the same rights and conditions as this Note.

8. Voting Rights. The Holder shall have no voting rights as the holder of this Note, except as required by law, including but not limited to applicable corporate law of the State of Israel, and as expressly provided in this Note.

9. Covenants. Until this Note has been entirely converted, redeemed or otherwise satisfied in accordance with its terms:

(a) Rank. This Note shall be senior in right of payment to all other current and future Indebtedness to which the Company is a party, other than the Senior Indebtedness.

(b) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or pay any cash dividend or distribution on any of its capital stock (other than dividends by wholly-owned Subsidiaries to the Company) without the prior express written consent of the Holder.

(c) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Company and each of its Subsidiaries on the Issuance Date or any business substantially related or incidental thereto. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, modify its or their corporate structure or purpose.

(d) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(e) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(f) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

10. No Short Sales. The Holder covenants that through and including the first Trading Day following the full conversion or full repayment of this Note, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

11. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversions and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Note shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 4 hereof). The issuance of Ordinary Shares and certificates for Ordinary Shares as contemplated hereby upon the conversion of this Note shall be made without charge to the Holder or such Ordinary Shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

12. Payment of Collection, Enforcement and Other Costs. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company or any of its Subsidiaries shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the conversion of this Note, and (ii) shall, so long as any of the Loan Amount under this Note remains outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the conversion of this Note, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the conversion of this Note.

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 10(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Conversion Price and the number of Conversion Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Conversion Notice shall be definitive and may not be disputed or challenged by the Company.

16. Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by wire transfer of immediately available funds by providing the Company with prior written notice setting out the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day.

17. Transferability of Note. A Holder may transfer some or all of this Note, or any shares issuable upon conversion of this Note, without the consent of the Company, subject only to the limitations of Section 2(g) of the Securities Purchase Agreement.

18. Amendment. Except as otherwise provided herein, the provisions of this Note may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Majority. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar Convertible Note issued by the Company under the Securities Purchase Agreement.

19. Dispute Resolution. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the Conversion Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

20. Governing Law. This Note shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

21. Certain Defined Terms. For purposes of this Note, the following terms shall have the following meanings:

"**1934 Act**" means the Securities Exchange Act of 1934, as amended.

"**Bloomberg**" means Bloomberg, L.P.

"**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 19. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

"**Conversion Price**" means the arithmetic average of the Closing Sale Prices of the Ordinary Shares in the five (5) Trading Days prior to the Conversion Date, subject to adjustment as provided herein, however, in any case, the Conversion Price shall not be lower than $1.50.

"**Execution Date**" shall have the meaning set forth in the Securities Purchase Agreement.

"**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

"**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the federal and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

"**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

"**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

"**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

"**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

"**SEC**" means the Securities and Exchange Commission or the successor thereto.

"**Securities Purchase Agreement**" means that certain securities purchase agreement by and among the Company and the Holder, dated as of the Execution Date, as may be amended from time to time in accordance with the terms thereof.

"**Senior Indebtedness**" means any Indebtedness of the Company or its Subsidiaries incurred prior to the Execution Date, including Indebtedness that is secured by any Lien on any assets of the Company or any of its Subsidiaries, including under any bank or seller-backed financing secured by real or personal property.

"**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

"**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

"**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[*Signature Page Follows*]

IN WITNESS WHEREOF, Holder and the Company have caused their respective signature page to this Convertible Note to be duly executed as of the date first written above.

COMPANY

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

[Signature Page to Convertible Note]

HOLDER

_____

By: _____
Name:
Title:

[Signature Page to Convertible Note]

* * * * *

EXHIBIT A

HUB CYBER SECURITY LTD.
CONVERSION NOTICE

Reference is made to that certain Convertible Note (the "**Note**") issued by HUB Cyber Security Ltd., an Israeli company (the "**Company**") to the undersigned Holder on _____. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Note.

The undersigned holder hereby exercises the right to convert the portion of the Note indicated below into Ordinary Shares as of the date specified below.

Conversion Date: _____

Loan Amount to be Converted: _____

Applicable Conversion Price: _____

Number of Ordinary Shares to be issued: _____

Please issue the Ordinary Shares into which the Note is being converted in the following name and to the following address:

Issue to: _____
Address: _____

Holder: _____

By: _____
Title: _____

EXHIBIT B

ACKNOWLEDGMENT

HUB Cyber Security Ltd., an Israeli company (the "**Company**") hereby acknowledges its receipt of the enclosed Conversion Notice and hereby directs [_____] to issue the above indicated number of Ordinary Shares in accordance with the Irrevocable Transfer Agent Instructions dated [_____ __, 20__] from the Company and acknowledged and agreed to by [_____].

HUB CYBER SECURITY LTD.

By: _____

Name: _____

Title: _____

Exhibit 4.31

FORM OF WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

HUB CYBER SECURITY LTD.

WARRANT TO PURCHASE ORDINARY SHARES

Date of Issuance: _____ ("**Issuance Date**")

HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), _____ (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**"). This Warrant is one of the Warrants to purchase Ordinary Shares (the "**SPA Warrants**") issued to Holder pursuant to that certain Securities Purchase Agreement, dated as of _____, by and among the Company and the investor(s) referred to therein (the "**Securities Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(c)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by email an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall, (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Exercise Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Exercise Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means the arithmetic average of the Closing Sale Prices of the Ordinary Shares in the five (5) Trading Days prior to the Issuance Date, subject to adjustment as provided herein.

(c) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act (as defined in the Securities Purchase Agreement) and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Warrant. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant or securities issued pursuant to the Securities Purchase Agreement.

(d) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(e) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(e); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Holder may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

(f) No Short Sales. The Holder covenants that through and including the first Trading Day following the full exercise or expiration of this Warrant, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. During such time as this Warrant is outstanding, the Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if during such time as this Warrant is outstanding, the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at during such time as this Warrant is outstanding the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. During such time as this Warrant is outstanding, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property (together, the "**Fundamental Transaction Consideration**"), which the Holder would have been entitled to receive upon the closing of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (net of the exercise price at the closing of the applicable Fundamental Transaction); provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

(c) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. During such time as this Warrant is outstanding, the Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (iii) shall, so long as any of the SPA Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the SPA Warrants, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144 under the Securities Act, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 10(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least two (2) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least two (2) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(c)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Majority, provided that the Company may lower the Exercise Price or extend the Expiration Date without the consent of the Holder. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar warrant issued under the Securities Purchase Agreement. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

15. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

16. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bloomberg**" means Bloomberg, L.P.

(b) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(d) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(e) "**Eligible Market**" means the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(f) "**Expiration Date**" means the date that is eighteen (18) months after the Issuance Date or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(g) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(h) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(i) "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(j) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(k) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(l) "**Principal Market**" means the Nasdaq Capital Market.

(m) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(n) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(o) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD.

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE ORDINARY SHARES

HUB CYBER SECURITY LTD.

The undersigned holder of the attached warrant (the "**Warrant**") hereby exercises the right to purchase in respect of, _____ of the Ordinary Shares ("**Warrant Shares**") of HUB Cyber Security Ltd., an Israeli company (the "**Company**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. The Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

2. Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

Exhibit 4.32

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of March 12, 2024 (the "**Execution Date**"), between HUB Cyber Security Ltd., an Israeli company (the "**Company**"), and the investors identified on the signature pages hereto (each a "**Buyer**" and, collectively, the "**Buyers**").

RECITALS

A. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) or Regulation D ("**Regulation D**") under the Securities Act of 1933, as amended (the "**1933 Act**"), as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

B. The Buyers wish to purchase, and the Company wishes to sell, upon the terms and subject to the conditions stated in this Agreement, (i) convertible secured notes in the form attached hereto as **Exhibit A** (each a "**Convertible Note**" and, collectively, the "**Convertible Notes**"), convertible into Ordinary Shares (the "**Conversion Shares**") pursuant to the terms set forth therein, and (ii) warrants, in the form attached hereto as **Exhibit B** (each a "**Warrant**" and, collectively, the "**Warrants**"), to acquire Ordinary Shares pursuant to the terms set forth therein (the "**Warrant Shares**").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF CONVERTIBLE NOTES AND WARRANTS.

(a) Convertible Notes and Warrants. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer shall purchase from the Company on the applicable Closing Date (as defined below), Convertible Notes in an aggregate principal amount as set forth on each Buyer's respective signature page hereto on the line entitled "Closing Purchase Price", along with Warrants to acquire up to the aggregate number of Warrant Shares as set forth on each Buyer's respective signature page hereto on the line entitled "Number of Closing Warrant Shares". Each Buyer shall have the option (the "**Option**"), to purchase from the Company, at an additional closing (the "**Additional Closing**"), additional Convertible Notes in an aggregate principal amount as set forth on each Buyer's respective signature page hereto on the line entitled "Additional Closing Purchase Price", along with Warrants to acquire up to the aggregate number of Warrant Shares as set forth on each Buyer's respective signature page hereto on the line entitled "Number of Additional Closing Warrant Shares". The Option may be exercised no later than ten (10) Business Days following delivery of (i) notice by the Company to the Buyer that the Company has agreed to purchase all of the issued and outstanding shares of Qpoint Technologies Ltd., an Israeli company ("**Qpoint**"), not otherwise held by the Company (the "**Additional Sale Option**") and (ii) the purchase agreement for such Additional Sale Option and all other related documents.

(b) Closing. The aforementioned issuances, sales and deliveries of Convertible Notes and Warrants, as applicable, shall take place as soon as practicable following the date hereof, but no later than the Business Day following the satisfaction or waiver of all of the closing conditions set forth in Sections 6 and 7 (including the sale of the Convertible Notes and Warrants pursuant to the Additional Sale Option, *mutatis mutandis*) (the "**Closing**" and such date of a Closing being, the "**Closing Date**").

(c) Payment of Purchase Price; Delivery of Securities. On each applicable Closing Date, each Buyer shall pay the principal amount as set forth on each Buyer's respective signature page hereto (the "**Purchase Price**") to the Company by wire transfer of immediately available funds in accordance with the Company's written wire instructions and the Company shall issue to each Buyer a Convertible Note with the principal amount set forth on such Buyer's respective signature page hereto, and Warrants to acquire Warrant Shares in the amount as indicated on the signature page hereto, in all cases, duly executed on behalf of the Company and registered in the name of such Buyer or its designee.

(d) Taxes. (i) All payments made by the Company to Buyer under this Agreement shall be made in full, without set-off or counterclaim and free and clear of, and without any deduction or withholding, and (ii) notwithstanding subsection (i), if under any Israeli law or regulation, any payment of VAT or any deduction or withholding for tax is required ("**Tax Payment**"), the amount of the payment due from the Company to the Buyer shall be increased to an amount which (after making any Tax Payment) leaves an amount equal to the payment which would have been due if no Tax Payment had been required, subject to a 10% exception in respect of the interest payable under the Convertible Note, as set forth therein.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants to the Company, on behalf of itself, that:

(a) Organization; Authority. If such Buyer is an entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring, or will acquire, the Convertible Notes and Warrants, (ii) upon conversion of its Convertible Notes, will acquire the Conversion Shares issuable upon conversion thereof, and (iii) upon exercise of its Warrants will acquire the Warrant Shares issuable upon exercise thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, acknowledge that they have been furnished with or provided access via EDGAR to the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K as well as Registration Statements on Form F-1 or F-4 (including amendments thereto). Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information such Buyer has requested which is necessary to verify the accuracy of the information furnished to such Buyer concerning the Company and such offering. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. Such Buyer acknowledges that such Buyer is basing its decision to invest in the Securities solely upon the information contained in the Transaction Documents, the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K, if any, and its own due diligence and, except as specifically set forth in this Agreement, has not based its investment decision upon any representations made by any Person (as defined below).

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands, that except as provided in Section 4(i) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) ("**Rule 144**"); and (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement. The execution and delivery of the Transaction Documents and the consummation by such Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Buyer and no further consent or authorization of such Buyer or its members is required. Each Transaction Document has been duly executed by such Buyer and when delivered in accordance with terms hereof and thereof, constitutes the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the consummation by such Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of such Buyer to perform its obligations hereunder.

(j) Experience of Buyer. Such Buyer has such knowledge, sophistication and experience in business and financial matter so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Buyer is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(k) Foreign Corrupt Practices. Neither such Buyer nor any of its subsidiaries or affiliates, nor, to the knowledge of such Buyer, any director, officer, agent, employee, member or other Person acting on behalf of such Buyer or any its subsidiaries or affiliates has, in the course of its actions for, or on behalf of, such Buyer or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any foreign or domestic government official or employee.

(l) General Solicitation. Such Buyer is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or advertisement.

(m) Patriot Act Representations.

(i) Such Buyer represents that all evidence of identity provided is genuine and all related information furnished is accurate.

(ii) Such Buyer hereby acknowledges that the Company seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of such efforts, such Buyer hereby represents and agrees that: (A) no part of the funds used by such Buyer to acquire the Securities have been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations; and (B) no payment to the Company by such Buyer shall cause the Company to be in violation of any applicable anti-money laundering laws and regulations including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Executive Order 13224 (2001) (the "Patriot Act") issued by the President of the United States and the U.S. Department of the Treasury Office of Foreign Assets Control ("OFAC") regulations.

(iii) Such Buyer represents and warrants that the amounts to be paid by such Buyer to the Company will not be directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Such Buyer represents and warrants that, to the best of its knowledge, none of: (A) such Buyer; (B) any Person controlling or controlled by such Buyer; or (C) any Person having a beneficial interest in such Buyer is (I) a country, territory, individual or entity named on a list maintained by OFAC, (II) a Person prohibited under the OFAC Programs, (III) a senior foreign political figure,[1] or any immediate family member[2] or close associate[3] of a senior foreign political figure as such terms are defined in the footnotes below or (IV) a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. §5311 et seq.), as amended (the "Bank Secrecy Act") and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(iv) Such Buyer further represents and warrants that such Buyer: (A) has conducted thorough due diligence with respect to all of its beneficial owners, (B) has established the identities of all beneficial owners and the source of each of the beneficial owner's funds and (C) will retain evidence of any such identities, any such source of funds and any such due diligence.

1 A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

2 "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

3 A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(v) Neither such Buyer nor any Person directly or indirectly controlling, controlled by or under common control with such Buyer is a person identified as a terrorist organization on any relevant lists maintained by governmental authorities.

(vi) Such Buyer agrees to provide the Company all information that may be reasonably requested to comply with applicable laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of such Buyer from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information. Such Buyer agrees to notify the Company promptly if there is any change with respect to the representations and warranties provided herein. Such Buyer consents to the disclosure to regulators and law enforcement authorities by the Company and its affiliates and agents of any information about such Buyer or its constituents as the Company reasonably deems necessary or appropriate to comply with applicable anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyers the matters set forth in this Section 3. These representations and warranties are current as of the Closing, except to the extent that a representation or warranty expressly states that such representation or warranty is current only as of an earlier date. If any information is so reflected as of an earlier date, there have been no material changes since such date to the date hereof.

(a) Organization and Qualification. Each of the Company and each of its subsidiaries are (i) entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed (to the extent such concept exists in the applicable jurisdiction), and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and (ii) is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction (to the extent such concept exists in the applicable jurisdiction) in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes and the issuance of the Warrants and the reservation for issuance and issuance of the Conversion Shares upon conversion of the Convertible Notes and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants) have been (i) duly authorized by the Company's board of directors and (ii) no further filing, consent or authorization is required by the Company, its board of directors or its shareholders or other governing body of the Company (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(g) of this Agreement). This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

(c) Issuance of Securities. The issuance of the Securities is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, Liens, charges and other encumbrances with respect to the issue thereof. As of the Closing, the Company shall have reserved from its duly authorized capital stock not less than the maximum number of Conversion Shares issuable upon conversion of the Convertible Notes (without taking into account any limitations on the conversion of the Convertible Notes set forth therein) and (ii) the maximum number of Warrant Shares issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein). Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Upon issuance in accordance with the terms of the Transaction Documents, Buyers will have good and marketable title to the Securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares and the reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) result in a violation of the Articles of Association of the Company or other organizational documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws or operating agreements of the Company or any of its subsidiaries, (ii) result in a violation of any law, rule, regulation, order, judgment or decree, except, in the case of this clause (ii), to the extent such violations that could not reasonably be expected to have a Material Adverse Effect, or (iii) result in a violation of any material contract or agreement, lease, license or commitment to which the Company is a party or by which it is bound.

(e) Consents. Neither the Company nor any subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with any court, governmental agency or any regulatory or self-regulatory agency or any other Person (other than the filing of required notices and/or applications to the Principal Market for the issuance and sale of the Securities or the filings required by Section 4(g) of this Agreement), in order for it to execute, deliver or perform any of its respective obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations that the Company is required to obtain at or prior to the Closing have been obtained or effected on or prior to the Closing Date, and the Company is not aware of any facts or circumstances that might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents.

(f) Acknowledgment Regarding Buyers' Purchase of Securities. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that such Buyer is not (i) an officer or director of the Company, (ii) an affiliate (as defined in Rule 405 of the 1933 Act) of the Company (an "**Affiliate**") or (iii) to its knowledge, a "beneficial owner" (as defined for purposes of Rule 13d-3 of the 1934 Act) of more than 10% of the Ordinary Shares. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company or any of its subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by such Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to such Buyer that the Company's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company and its representatives.

(g) Regulation D; Placement Agent's Fees. Neither the Company nor any of its affiliates (as defined in Regulation 501 under the 1933 Act) nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offering of the Securities and it and they have complied and will comply with the offering restrictions requirement of Regulation D. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, or brokers' commissions, relating to or arising out of the transactions contemplated hereby.

(h) No Integrated Offering. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company under any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, any of its Affiliates, or, to the knowledge of the Company, any Person acting on the behalf of the Company or any of its Affiliates will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested shareholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the Articles of Association or other organizational documents of the Company or any of its Affiliates or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to each Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and such Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Ordinary Shares or a change in control of the Company or any of its Affiliates.

(j) SEC Documents; Financial Statements. As of their respective dates, all reports, schedules, forms, statements and other documents required to be filed by the Company with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing, as well as all registration statements under the 1933 Act, filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**") complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its dates, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude the footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). No other information provided by or on behalf of the Company to each Buyer which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

(k) Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1 if filed more recently), except as disclosed in the SEC Documents filed subsequent to such Form 20-F (or Form F-1, as applicable), there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), or condition (financial or otherwise) of the Company and its subsidiaries. Since the date of the Company's most recent audited financial statements contained in a Form 20-F (or Form F-1, as applicable), neither the Company nor any of its subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets outside of the ordinary course of business or (iii) made any material capital expenditures, individually or in the aggregate, outside of the ordinary course of business.

(l) No Undisclosed Events, Liabilities, Developments or Circumstances. Except as disclosed in the SEC Documents, no event, liability, development or circumstance has occurred or exists, or is reasonably expected to occur or exist with respect to the Company or any of its subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise) that would have a Material Adverse Effect on the Company.

(m) Conduct of Business; Regulatory Permits. Neither the Company nor any of its subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its subsidiaries, and the Company will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Since February 28, 2023, (i) the Ordinary Shares have been designated for quotation on the Principal Market, (ii) trading in the Ordinary Shares has not been suspended by the SEC or the Principal Market and (iii) except as disclosed in the SEC Documents, the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension of the Ordinary Shares from the Principal Market. The Company and each of its subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(n) Foreign Corrupt Practices. Neither the Company nor any of its subsidiaries nor to the knowledge of the Company, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its subsidiaries (as applicable) has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(o) Sarbanes-Oxley Act. Except as set forth in the SEC Documents, the Company and each of its subsidiaries is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder.

(p) Transactions With Affiliates. Except as disclosed in the SEC Documents, none of the officers, directors, employees or Affiliates of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors and immaterial transactions), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or Affiliate or, to the knowledge of the Company, any corporation, partnership, trust or other Person in which any such officer, director, employee or Affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(q) Equity Capitalization. All of the Company's outstanding Ordinary Shares are duly authorized and have been, or upon issuance will be, validly issued, fully paid and non-assessable. Except as disclosed in the SEC Documents: (i) to the Company's knowledge, no Person owns 10% or more of the Company's issued and outstanding Ordinary Shares; (ii) the Company's capital stock and the capital stock of its subsidiaries are not subject to preemptive rights or any other similar rights or any Liens; (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional capital stock or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its subsidiaries, respectively (other than as may be issued from time to time under any equity incentive plan maintained); (iv) except for the Convertible Notes, there are no outstanding debt securities, convertible notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound. The SEC Documents contain true, correct and complete copies of the Company's Articles of Association, as amended and as in effect on the date, and the terms of all securities convertible into, or exercisable or exchangeable for, Ordinary Shares and the material rights of the holders thereof.

(r) Indebtedness and Other Contracts. Except as disclosed in the SEC Documents, each of the Company and its subsidiaries (i) does not have any material outstanding Indebtedness, Indebtedness secured by any Lien on any assets of the Company or any of its subsidiaries or other material debt obligations, except for the Convertible Notes, (ii) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is not in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, and (iv) is not a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction.

(s) Litigation. Except as disclosed in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries, the Ordinary Shares or any of the Company's or its subsidiaries' executive officers or directors which would be reasonably likely to adversely affect the transactions contemplated by this Agreement or would require disclosure in the SEC Documents.

(t) Insurance. The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged. Neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(u) Employee Relations. Neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement nor does it employ any member of a union. To the knowledge of the Company, no executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters.

(v) Title. The Company and its subsidiaries have good and marketable title to (i) all real property owned by it and (ii) all personal property, owned by them which is material to the business of the Company and its subsidiaries, in each case, free and clear of all Liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its subsidiaries. Any real property and facilities held under lease by the Company and any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its subsidiaries.

(w) Intellectual Property Rights. The Company and its subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted. Except as disclosed in the SEC Documents, none of the Company's or its subsidiaries' Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within three years from the date of this Agreement, which could reasonably be expected to result in a Material Adverse Effect. The Charged Assets constitute all of the Intellectual Property Rights owned by the Company.

(x) Tax Status. Each of the Company and its subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply and except in each case where the failure to file, pay or set aside could not be reasonably expected to have a Material Adverse Effect. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(y) Internal Accounting and Disclosure Controls. Except as disclosed in the SEC Documents, the Company and each of its subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. Except as disclosed in the SEC Documents, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

(z) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(aa) U.S. Real Property Holding Corporation. Neither the Company nor any of its subsidiaries is or has ever been, and so long as any of the Securities are held by any Buyer, shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company and each subsidiary shall so certify upon any Buyer's request.

(bb) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(cc) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i).

(dd) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its executive officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its subsidiaries or any other business entity or enterprise with which the Company or any of its subsidiaries is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its subsidiaries.

(ee) Money Laundering. The Company and its subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, without limitation, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(ff) Solvency. After giving effect to the receipt by the Company of the proceeds from the transactions contemplated by this Agreement (a) the Company's fair saleable value of its assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature; and (b) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its debt when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction.

(gg) Disclosure. All disclosure provided to any Buyer regarding the Company, its subsidiaries, their respective businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. COVENANTS.

(a) Use of Proceeds. The Company shall use the proceeds from Closing Purchase Price for general corporate purposes and transaction related expenses, and shall use the proceeds from the Additional Closing Purchase Price for the repayment to Qpoint of the outstanding loan amount of NIS 10,855,000 payable by the Company to Qpoint under the Loan Agreement between the Company and Qpoint, dated September 28, 2023 and the purchase of the outstanding Qpoint shares not otherwise held by the Company for a purchase price of NIS 25,000,000. Except as specifically set forth herein, the Company shall not use the Closing Purchase Price and the Additional Closing Purchase Price: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and consistent with prior practices), (b) for the redemption of any Ordinary Shares or Ordinary Share Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations. The Company shall pay to the Paying Agent the Down Payment and the First Trust Payment Portion (as these terms are defined in that certain Share Purchase Agreement related to the purchase by the Company of shares of Qpoint from the other shareholders of Qpoint (the "**Qpoint SPA**")) within one (1) Business Day following the receipt of the Additional Closing Purchase Price and shall file with the Israeli Registrar of Companies the release of the related liens within one (1) Business Day of receipt by the Paying Agent of such payments. The Company shall provide the Buyers with evidence of the payment of such outstanding loan amount. Failure by the Company to comply with this covenant will be a material breach of this Agreement and the Company will immediately refund to the Buyer the Purchase Price.

(b) Pledge at Closing. No later than the Closing, the Company shall file with the Israeli Registrar of Companies, a pledge registration document ("Tofes 10") for the registration of pledges for the benefit of the Buyer on all of its patents and other intellectual property (the "**Charged Assets**") and shall file with the Registrar of Patents and Trademarks the appropriate forms for the registration of pledges for the benefit of the Buyer on the Charged Assets, as contemplated under the debenture attached hereto as **Exhibit C** (the "**Closing Pledge**"). The Buyer shall have the option to convert the Closing Pledge into a pledge on the shares of ALD Manpower Solutions Ltd., ALD Software Ltd. and ALD College Ltd. owned by the Company (the "**Alternate Pledge**") upon provision of a written notice to the Company accompanied by an executed notice for the termination of the Closing Pledge ("**Pledge Conversion Notice**"). In the event Buyer so opts to convert the Closing Pledge, within one (1) Business Day following the Company's receipt of the Pledge Conversion Notice from Buyer, the Company shall file with the Israeli Registrar of Companies for the recordation of the Alternate Pledge, after which filing it shall be entitled to file the termination notice in respect of the Closing Pledge. The Closing Pledge or the Alternate Pledge, as applicable, shall be deemed terminated upon the Company's pledge of Qpoint shares pursuant to Section 4(d).

(c) Qpoint Dividends. Following the Additional Closing:

For so long as any Convertible Notes are outstanding, the Company shall, subject to applicable law, cause Qpoint and the following subsidiaries of the Company: (i) Sensecom Consulting and Projects Management Ltd. ("**Sensecom**"), (ii) Aginix Engineering and Project Management Ltd ("**Aginix**"), and (iii) Integral Telemanagement Services Ltd, ("**Integral**", and together with Qpoint, Sensecom and Aginix, the "**Subsidiaries**") to adopt a dividend distribution policy pursuant to which each of the Subsidiaries will distribute, from its available cash, to the Subsidiaries' shareholders dividends in an amount equal to at least eighty percent (80%) of such Subsidiaries annual profits that are legally available for distribution pursuant to Section 302 of the Israeli Companies Law, 5759-1999. The Company will designate the dividend payments it receives from the Subsidiaries exclusively for the repayment of all or a portion of the then outstanding Principal Amount (as defined in the Convertible Note with Buyer). Such repayment shall be made within two (2) Business Days following the date the Company receives the proceeds of the applicable dividend distribution. In the event the outstanding Principal Amount is not repaid by the maturity date of the Convertible Note, subject to applicable law, the Company shall cause the Subsidiaries no later than ten days following such maturity date, to distribute, from available cash, their profits from prior years until December 31, 2023 that are legally available for distribution pursuant to said Section 302 and to use these dividends for the sole purpose of repaying the Principal Amount within five (5) Business Days of such distribution. Except for up to (i) NIS 4,000,000 to cover the Down Payment and (ii) NIS 5,000,000 to cover the Second Payment (as each such term is defined in the Qpoint SPA), none of the Subsidiaries shall transfer (either as a loan, interim loan ("חו"ז"), dividend or otherwise) any cash or other assets to the Company except as dividends subject to this Section 4(c) to be used for the repayment of all or a portion of the then outstanding Principal Amount. The foregoing shall not apply if Buyer shall inform the Company that Buyer intends to convert such Principal Amount into Ordinary Shares in lieu of the repayment of such Principal Amount in accordance with terms and condition of the Convertible Note.

(d) Pledge on Qpoint Shares. Concurrently with the filing of the lien release described in Section 4(a) and provided that Buyer has delivered to Company an executed notice for the termination of the Closing Pledge or Alternate Pledge (as applicable), the Company shall file with the Israeli Registrar of Companies, a pledge registration document ("Tofes 10") for the registration of pledges for the benefit of the Buyer of assets, as contemplated under the debenture attached hereto as **Exhibit D** after which filing the Company shall be entitled to file the termination notice in respect of the Closing Pledge or Alternate Pledge (as applicable). Once the Company pays to the Paying Agent the Down Payment and the First Trust Payment Portion, the pledge shall cover all of the Qpoint shares owned by the Company and all other shares of the remaining Subsidiaries owned by the Company and shall be a first priority security interest. Upon the Closing under the Qpoint SPA, the pledge shall be extended to cover any additional Qpoint shares purchased by the Company.

(e) Financial Information. Until the date on which the Buyers shall have sold all of the Registrable Securities (the "**Reporting Period**"), the Company agrees to send the following to each Buyer unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, (i) within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 20-F and Reports of Foreign Private Issuers on Form 6-K, any interim reports or any consolidated balance sheets, income statements, shareholders' equity statements and/or cash flow statements for any period other than annual, any Reports of Foreign Private Issuers on Form 6-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) on the same day as the release thereof, facsimile copies of all press releases issued by the Company and (iii) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders.

(f) SEC Registration. No later than the earlier of (i) one (1) month following the Closing Date and (ii) five (5) Business Days following the closing by the Company of a financing transaction for at least $15,000,000, the Company shall file an amendment to its draft registration statement on Form F-1 to register the issuance of the Registrable Securities with the SEC and use its best efforts to cause such registration statement to be declared effective by the SEC as soon as practicable thereafter but in no event not later than ninety (90) days following the Closing. Prior to the registration statement becoming effective, the Company shall deliver to each Buyer an indemnification undertaking in customary form.

(g) Listing. The Company shall secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities consisting of Ordinary Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) so that all such Registrable Securities consisting of Ordinary Shares may be traded on the foregoing, subject to official notice of issuance, and shall maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall maintain the Ordinary Shares' listing or designation for quotation (as the case may be) on the Principal Market, The New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market or the Nasdaq Global Market (each, an "**Eligible Market**"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market.

(h) Fees. The Company shall be responsible for the payment of any of its placement agent's fees, financial advisory fees, transfer agent fees, DTC fees or broker's commissions, relating to or arising out of the transactions contemplated hereby. Except as otherwise set forth in the Transaction Documents, The Company shall, within two Business Days following the Closing, reimburse the transaction fees, including reasonable fees and expenses of special counsel for the Buyers, not to exceed US$ 50,000 *plus* value added tax, if applicable.

(i) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by each Buyer in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and each Buyer effecting a pledge of Securities shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document. At each Buyer's expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by each Buyer provided that the Company shall be under no obligation to deliver any legal opinion required in connection therewith unless required by the Company's transfer agent to be issued by the Company's legal counsel.

(j) Disclosure of Transactions and Other Material Information. The Company shall not, and the Company shall cause each of its officers, directors, employees and agents not to, provide each Buyer with any material, non-public information regarding the Company from and after the Execution Date without the express prior written consent of such Buyer. Subject to the foregoing, neither the Company nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of each Buyer, to make any press release or other public disclosure with respect to such transactions as is required by applicable law and regulations (provided that such Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of each Buyer, the Company shall not (and shall cause each of its affiliates to not) disclose the name of such Buyer in any filing (other than as required by applicable law or rules and regulations), announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that each Buyer has not had, and such Buyer shall not have (unless expressly agreed to by such Buyer after the date hereof in a written definitive and binding agreement executed by the Company and such Buyer), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any information regarding the Company or any of its subsidiaries (as applicable) that such Buyer receives from the Company, any of its subsidiaries or any of its or its officers, directors, employees, shareholders or agents.

(k) Reservation of Shares. As long as any of the Convertible Notes and Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance, no less than the number of Ordinary Shares issuable upon conversion of the Convertible Notes and exercise of the Warrants.

(l) Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(m) Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

5. TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent in a form acceptable to each Buyer to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**"), registered in the name of such Buyer or its respective nominee(s), for the Conversion Shares and the Warrant Shares in such amounts as specified from time to time by such Buyer to the Company, and confirmed by the Company, upon the conversion of the Convertible Notes or the exercise of the Warrants (as the case may be). The Company represents and warrants that no instruction other than such irrevocable transfer agent instructions referred to in this Section 5(a), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If any Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares or Warrant Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(c) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a)will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(b) Legends. Each Buyer understands that the Securities have not been registered under the 1933 Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144 or pursuant to another exemption from the registration requirements of the 1933 Act, and except as set forth below, the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> [NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE [CONVERTIBLE]/[EXERCISABLE] HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(c) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(b) above or any other legend (i) while a registration statement covering the resale of such Securities is effective under the 1933 Act (provided that each Buyer provides the Company with any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or a registration statement, (iii) in connection with a sale, assignment or other transfer under Rule 144 (provided that each Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from such Buyer or its broker reasonably required by the Company's transfer agent), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that each Buyer provides the Company with an opinion of counsel to such Buyer from reputable counsel to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) Trading Days following the delivery by any Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(c), as directed by such Buyer, credit the aggregate number of Ordinary Shares to which each Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system.

(d) Manner of Sale. Each Buyer, severally and not jointly with the other Buyers, agrees with the Company that such Buyer will sell any Securities pursuant to either the registration requirements of the 1933 Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 5 is predicated upon the Company's reliance upon this understanding.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Convertible Notes and Warrants to each Buyer at the applicable Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Each Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Each Buyer shall have delivered to the Company the Purchase Price for the Convertible Notes and Warrants being purchased by such Buyer at the Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of each Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

7. CONDITIONS TO BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Convertible Notes and Warrants at the Closing is subject to the satisfaction, at or before each applicable Closing Date and in respect of each such Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to each Buyer each of the Transaction Documents to which the Company is a party and the Company shall have duly executed and delivered to such Buyer the Convertible Notes and Warrants as is set forth on the applicable signature page hereto and the Company shall have complied in all material respects with all obligations under this Agreement and the other Transaction Documents, including, without limitation, the Convertible Notes and the Warrants.

(ii) Each and every representation and warranty of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date.

(iii) The Ordinary Shares (A) shall be designated for quotation on the Principal Market; and (B) shall not have been suspended, as of the Closing Date, by the SEC or the Principal Market from trading on the Principal Market.

(iv) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market.

(v) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents, and no actions, suits or proceedings shall be pending by any governmental authority that seeks to enjoin, prohibit or otherwise adversely affect any of the transactions contemplated by the Transaction Documents.

(vi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect and the Company has not filed for nor is it subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company.

(vii) In respect of the Additional Closing, the Company shall have delivered to each Buyer an executed copy of a payoff letter from Qpoint substantially in the form attached hereto as **Exhibit E** and such other documents, instruments or certificates relating to the transactions contemplated by this Agreement reasonably required to consummate the transactions contemplated hereby.

8. TERMINATION.

In the event that the Closing shall not have occurred within ten (10) days after the date hereof (the "**Expiration Date**"), then this Agreement shall terminate with respect to the applicable Buyer on the close of business on the Expiration Date without liability to any other party; provided, however, that the right to terminate this Agreement under this Section 8 shall not be available to such Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Buyer's breach of this Agreement. Notwithstanding anything to the contrary above, nothing contained in this Section 8 shall be deemed to release any party hereto from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party hereto to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. CERTAIN DEFINITIONS

(a) 1934 Act. The "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

(b) Business Day. "**Business Day**" means any day other than a Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) Convertible Securities. "**Convertible Securities**" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Ordinary Shares).

(d) Indebtedness. "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the purchase price of property or assets, including indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), other than trade payables entered into in the ordinary course of business, (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, (E) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, and (F) all indebtedness referred to in clauses (A) through (E) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any material property or assets (including accounts and contract rights) owned by such Person, even though the Person has not assumed or become liable for the payment of such indebtedness.

(e) Lien. "**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the 1933 Act and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

(f) Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its subsidiaries to perform any of its respective obligations under any of the Transaction Documents (as defined below).

(g) Ordinary Shares. "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(h) Ordinary Shares. "**Ordinary Share Equivalents**" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares.

(i) Person. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(j) Principal Market. "**Principal Market**" means the Nasdaq Capital Market; provided however, that in the event the Ordinary Shares are ever listed or traded on the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, then the "Principal Market" shall mean such other market or exchange on which the Ordinary Shares is then listed or traded.

(k) Registrable Securities. "**Registrable Securities**" means (i) the Conversion Shares, (ii) the Warrant Shares and (iii) any capital stock of the Company issued or issuable with respect to such Conversion Shares and the Warrant Shares, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which the Ordinary Shares is converted or exchanged, in each case, without regard to any limitations on exercise or exchange of the Warrants. As to any Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a registration statement with respect to the sale of such securities shall have become effective under the 1933 Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent public distribution of them shall not require registration under the 1933 Act; or (c) such securities are freely saleable under Rule 144.

(l) Securities. "**Securities**" means the Convertible Notes, the Conversion Shares, the Warrants and the Warrant Shares.

(m) Subsidiaries. "**Subsidiary**" or "**subsidiary**" means with respect to a Person, any Person in which that other Person, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person; provided, that a Person shall not be deemed a subsidiary pursuant to clauses (I) or (II) unless the Person, directly or indirectly, owns at least 51% of any of the outstanding capital stock or holds at least 51% of any equity or similar interest of such Person.

(n) Trading Day. "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

(o) Transaction Documents. "**Transaction Documents**" means, collectively, this Agreement, the Convertible Notes, the Warrants, and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

10. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Israel or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Israel. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to the transactions contemplated by this Agreement.

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties hereto as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties hereto or the practical realization of the benefits that would otherwise be conferred upon the parties hereto. The parties hereto will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its affiliates and Persons acting on its behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties hereto solely with respect to the matters covered herein and therein. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and each of the Buyers. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. The Company has not, directly or indirectly, made any agreements with any Buyer relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by any Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iii) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

HUB Cyber Security Ltd.
30 Ha'Masger St.
Tel Aviv 6721117, Israel
Tel: +972-3-924-4074
Email Address: Osher Partok Rheinisch, Chief Legal Officer
Attention: osher.p.rheinisch@hubsecurity.io

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: adam.klein@goldfarb.com; daniel.kahn@goldfarb.com

If to a Buyer:

See Buyer's signature page hereto

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication or (B) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (i) or (iii) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (ii) above.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and its successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers, including, without limitation, by way of a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the applicable Warrants).

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and its permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 10(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive the Closing until the applicable statute of limitations. Each Buyer shall be responsible only for its representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless such Buyer and each holder of any Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to any material (A) misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (B) breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (C) cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company, but other than by an affiliate of any Buyer) or which otherwise involves such Indemnitee that arises out of or results from (I) the execution, delivery, performance or enforcement of any of the Transaction Documents, (II) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (III) any disclosure properly made by any Buyer pursuant to Section 4(g), or (IV) the status of any Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement, unless such action is based upon a breach of such Buyer's representations, warranties, or covenants under the Transaction Documents, or any agreements or understandings such Buyer may have with any such third party, or any violations by such Buyer of state or federal securities laws or any conduct by such Buyer which constitutes fraud, gross negligence or willful misconduct.

(ii) Promptly after receipt by an Indemnitee under this Section 10(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 10(k), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (i) the Company has agreed in writing to pay such fees and expenses; or (ii) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

(iii) The indemnification required by this Section 10(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred.

(iv) Notwithstanding any provision in this Agreement or any other Transaction Documents, except for fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement, the aggregate indemnification obligations of the Company pursuant to this Section 10(k) shall not exceed 100% of the aggregate Purchase Price actually paid by the Buyers.

(v) The sole and exclusive remedy for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Section 10(k), and each Buyer expressly waives any other rights or remedies it may have; provided however, that equitable relief, including remedies of specific performance and injunction, shall be available with respect to any matter where money damages would not be sufficient to compensate any Buyer or to preserve the rights of such Buyer pending resolution of a dispute, and this Section 10(k) shall not relieve the Company from liability for willful misconduct, gross negligence, bad faith, fraud or willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement.

(m) Remedies. Each Buyer and each holder of any Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security, to the extent permitted by law), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to each Buyer. The Company therefore agrees that each Buyer shall be entitled to seek specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Exercise of Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may continue to exercise it other rights, elections, demands and options hereunder and under any other Transaction Document from time to time as if such original right, election, demand or option had not been exercised without prejudice to its future actions and rights and remedies.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to such Buyer hereunder or pursuant to any other Transaction Document or any Buyer enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

[*signature pages follow*]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By:	/s/ Osher Partok Rheinisch	/s/ Noah Hershcoviz
	Name: Osher Partok Rheinisch	Noah Hershcoviz
	Title: CLO	CEO

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Agreement to be duly executed as of the date first written above.

/s/ Tamas Gottdiener

Name of Buyer: Tamas Gottdiener
Address for Notice to Buyer: Raempferstrasse 10, Feusisberg 8834, Switzerland

Email Address for Notice to Buyer: tgottdiener@tagogroup.ch and bg@tagogroup.ch

Closing Purchase Price: $1,800,000

Additional Closing Purchase Price: $6,200,000

Conversion Price: The arithmetic average of the Closing Sale Prices (as defined in the Convertible Notes) of the Ordinary Shares in the five (5) Trading Days prior to the Conversion Date (as defined in the Convertible Notes), however, in any case, the Conversion Price shall not be lower than $1.2044.

Number of Closing Warrant Shares: 1,800,000 Ordinary Shares.

Number of Additional Closing Warrant Shares: 1,800,000 Ordinary Shares.

Exercise Price per Closing Warrant Share: $1.2044, subject to adjustment as provided therein.

Exhibit 4.33

AMENDMENT TO SECURITIES PURCHASE AGREEMENT, WARRANT, AND NOTE

This Amendment (this "**Amendment**") to that certain (i) Securities Purchase Agreement, dated as of March 12, 2024 (the "**Securities Purchase Agreement**"), by and between HUB Cyber Security Ltd., an Israeli company (the "**Company**"), and Tamas Gottdiener (the "**Buyer**"); (ii) the Warrant to Purchase Ordinary Shares, issued by the Company to the Buyer on March 12, 2024 (the "**First Warrant**") and (iii) the Secured Convertible Note, issued by the Company to the Buyer on March 12, 2024 (the "**Note**"), in each case, is hereby made and entered into as of April 3, 2024. Capitalized terms used but not defined herein shall have the meanings given to them in the Securities Purchase Agreement.

WHEREAS, Buyer wishes to exercise the Additional Sale Option and in connection therewith, the parties desire to amend the Securities Purchase Agreement, the First Warrant and the Note as set forth herein;

NOW THEREFORE, the parties hereto hereby agree to amend the Securities Purchase Agreement, First Warrant and Note as follows:

1. Signature Page of the Securities Purchase Agreement.

a. The number 1,800,000 appearing under the captions "Number of Closing Warrant Shares" and "Number of Additional Closing Warrant Shares" shall be replaced with the numbers "*4,444,444*" and "*4,000,000*", respectively.

b. The definition "Exercise Price per Closing Warrant Share" shall be deleted and replaced with the following:

"*Exercise Price per Closing Warrant Share: $0.90, subject to adjustment as provided therein.*

Exercise Price per Additional Closing Warrant Share: $1.00, subject to adjustment as provided therein."

c. The value $1.2044 in the definition of "Conversion Price" shall be replaced with the value "*$0.90*".

2. Section 4(a) of the Securities Purchase Agreement shall be replaced with the following:

Use of Proceeds. The Company shall use the proceeds from Closing Purchase Price for general corporate purposes and transaction related expenses, and shall use the proceeds from the Additional Closing Purchase Price for the purchase of the outstanding Qpoint shares not otherwise held by the Company for a purchase price of NIS 25,000,000 and payments to third parties in accordance with the details provided by the Company to the Buyer. Except as specifically set forth herein, the Company shall not use the Closing Purchase Price and the Additional Closing Purchase Price: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and consistent with prior practices), (b) for the redemption of any Ordinary Shares or Ordinary Share Equivalents, or (c) for the settlement of any other outstanding litigation or (d) in violation of FCPA or OFAC regulations. The Company shall pay (i) to the Sellers the Down Payment and the First Payment (as these terms are defined in that certain Share Purchase Agreement related to the purchase by the Company of shares of Qpoint from the other shareholders of Qpoint (the "**Qpoint SPA**")) within one (1) Business Day following the receipt of the Additional Closing Purchase Price and shall file with the Israeli Registrar of Companies the release of the related liens concurrently with the payment of the Down Payment and the First Payment, and (ii) to the counterparty to the court approved settlement agreement by and between the Company and the counterparty, approved by the Tel Aviv District Court on April 2, 2024 (file number T"A 62249-12-23) (the "**Settlement Agreement**"), NIS 5,000,000, being the first payment of the settlement amount in accordance therewith. The Company shall promptly provide the Buyers with evidence of the payments to the Sellers and counterparty to the Settlement Agreement as described above and shall fully comply with the terms of the Qpoint SPA and the Settlement Agreement. Failure by the Company to comply with this covenant will be a material breach of this Agreement and the Company will immediately refund to the Buyer the Purchase Price.

3. Section 4(d) of the Securities Purchase Agreement shall be replaced with the following:

Pledge on Qpoint Shares. The Company has filed with the Israeli Registrar of Companies, a pledge registration document ("Tofes 10") for the registration of pledges for the benefit of the Buyer of assets, as contemplated under the debenture attached hereto as **Exhibit D**. Within one (1) Business Day of providing proof to the Buyer of the effectiveness of the registration of such pledges, the Buyer shall deliver to Company an executed notice for the termination of the Closing Pledge or Alternate Pledge (as applicable) and the Company shall be entitled to file the termination notice in respect of the Closing Pledge or Alternate Pledge (as applicable). Once the Company pays to the Sellers the Down Payment and the First Payment, the pledge shall cover all of the issued and outstanding Qpoint shares and all other shares of the remaining Subsidiaries owned by the Company and shall be a first priority security interest.

4. Opening Recital of the First Warrant. The number 1,800,000 shall be replaced with the number "*4,444,444*".

5. Section 1(c) of the First Warrant. The value $1.2044 shall be replaced with the value "*$0.90*".

6. Section 21 of the Note. The value $1.2044 in the definition of "Conversion Price" shall be replaced with the value "*$0.90*".

7. Continued Validity of Securities Purchase Agreement, the First Warrant and Note. Except as specifically amended hereby, the Securities Purchase Agreement, the First Warrant and Note shall remain in full force. In the event of a conflict between this Amendment and the Securities Purchase Agreement, the First Warrant or Note, this Amendment shall control. This Amendment shall be a Transaction Document for all purposes under the Securities Purchase Agreement.

8. For the avoidance of doubt, the form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to the transactions contemplated by this Amendment.

9. Counterparts. This Amendment may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

[*signature page follows*]

IN WITNESS WHEREOF, each Buyer and the Company has caused its signature page to this Amendment to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Osher Partok Rheinisch /s/ Noah Hershcoviz
Name: Osher Partok Rheinisch Noah Hershcoviz
Title: CLO CEO

BUYER:

/s/ Tamas Gottdiener
Tamas Gottdiener

Exhibit 4.34

Execution Version

SECOND AMENDMENT TO SECURITIES PURCHASE AGREEMENT,
WARRANTS AND NOTES

This Amendment (this "**Amendment**") to that certain (i) Securities Purchase Agreement, dated as of March 12, 2024 (as amended on April 3, 2024, the "**Securities Purchase Agreement**"), by and between HUB Cyber Security Ltd., an Israeli company (the "**Company**"), and Tamas Gottdiener (the "**Buyer**"); (ii) the Convertible Notes issued by the Company to the Buyer on March 12, 2024 and on April 3, 2024 (the "**Outstanding Notes**"); and (iii) the Warrants to Purchase Ordinary Shares issued by the Company to the Buyer on March 12, 2024 and on April 3, 2024 (the "**Outstanding Warrants**"), in each case, is hereby made and entered into as of June 26, 2024. Capitalized terms used but not defined herein shall have the meanings given to them in the Securities Purchase Agreement.

WHEREAS, the Principal Amount under the Outstanding Notes was due and payable on June 12, 2024;

WHEREAS, the Company is need of additional funds to complete the audit of its 2023 annual financial statements;

WHEREAS, the Buyer is willing to lend additional funds to the Company and to amend the Outstanding Notes on the terms and conditions set forth herein;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Additional Loan. The Buyer shall lend the Company an additional amount of $2,000,000 (the "**Additional Purchase Price**") in exchange for a secured Convertible Note having a repayment date of 90 days following the Closing Date (as defined below) and bearing an interest rate of 10% for such 90-day period; to the extent that any portion of the Principal Amount is not repaid by the end of such 90-day period, it will bear interest at the rate of 15% per annum (on the basis of the actual number of days elapsed commencing from the 91st day following the Issuance Date and ending on the payment date, in a year of 360 days) and otherwise on the same terms and conditions as the Outstanding Notes (the "**Additional Note**"). As collateral for the Additional Note, the Additional Note shall be secured *pari passu* by the same Charged Assets that secure the Outstanding Notes, and the pledge over the Charge Assets in favor of the Lender shall not be released before all the obligations under the Outstanding Notes and the Additional Note are repaid in full. The Buyer shall be permitted to pay the equivalent amount of Additional Purchase Price in Euros, in which case the Company shall repay the Principal Amount of the Additional Note in the same amount of Euros, without regard to the prevailing exchange rate at the time of repayment (notwithstanding anything in the Securities Purchase Agreement to the contrary). Notwithstanding the foregoing, the Additional Note and all monetary figures therein shall be denominated in U.S. Dollars.

2. Extension of Repayment Date.

(a) Effective as of the Closing Date, Section 1(d) of the $1.8 million Outstanding Note dated March 12, 2024 is hereby amended and restated to read as follows:

> Unless earlier converted into Ordinary Shares or repaid by the Company, the outstanding Principal Amount and accrued but unpaid interest thereon will be due and payable by the Company on the earlier of (i) five (5) business days following the closing of a financing in the Company of at least US$25,000,000 and (ii) August 10, 2024. The Holder shall be entitled to demand repayment of all or a portion of the Principal Amount that is due by sending a two (2) Business Days' notice to the Company.

(b) Effective as of the Closing Date, Section 1(d) of the $6.2 million Outstanding Note dated April 3, 2024 is hereby amended and restated to read as follows:

> Unless earlier converted into Ordinary Shares or repaid by the Company, the outstanding Principal Amount and accrued but unpaid interest thereon will be due and payable by the Company on the earlier of (i) five (5) business days following the closing of a financing in the Company of at least US$25,000,000 and (ii) (A) August 10, 2024, with respect to $2,200,000 of the Principal Amount and (B) September 24, 2024, with respect to $4,000,000 of the Principal Amount. The Holder shall be entitled to demand repayment of all or a portion of the Principal Amount that is due by sending a two (2) Business Days' notice to the Company.

3. Use of Proceeds. Effective as of the Closing Date, Section 4(a) of the Securities Purchase Agreement is hereby be supplemented with the following:

> The Company shall use the proceeds from the Additional Purchase Price to pay the expenses required to finalize the audit of its 2023 annual financial statements and for general corporate purposes.

4. Additional Warrants. In consideration for the Additional Purchase Price, the Company shall issue to the Buyer a Warrant to purchase up to 1,000,000 Ordinary Shares at an exercise price of $0.50 per share. In consideration for the extension described in Section 2, the Company shall issue to the Buyer a Warrant to purchase up to 2,000,000 Ordinary Shares at an exercise price of $0.70 per share (collectively, the "**Additional Warrants**"). The Additional Warrants shall be otherwise on the same terms and conditions as the Warrants previously issued by the Company to the Buyer pursuant to the Securities Purchase Agreement.

5. SEC Registration. No later than five (5) Business Days following the filing by the Company of its Annual Report on Form 20-F for the year 2023, the Company shall file an amendment to its draft registration statement on Form F-1 to register the issuance of the Registrable Securities with the SEC and use its best efforts to cause such registration statement to be declared effective by the SEC as soon as practicable thereafter but in no event not later than sixty (60) days following the filing of the registration statement. Prior to the registration statement becoming effective, the Company shall deliver to Buyer an indemnification undertaking in customary form relating thereto.

6. Event of Default. Any breach of the terms of this Amendment shall be deemed an Event of Default under the Outstanding Notes and the Additional Note.

7. The Securities Purchase Agreement, Outstanding Warrants and Outstanding Note shall be amended as follows:

a. Signature Page of the Securities Purchase Agreement (as amended).

i. The definition "Exercise Price per Closing Warrant Share" shall be deleted and replaced with the following:

"*Exercise Price per Closing Warrant Share: $0.70, subject to adjustment as provided therein.*
Exercise Price per Additional Closing Warrant Share: $0.70, subject to adjustment as provided therein."

ii. The value $0.90 in the definition of "Conversion Price" shall be replaced with the value "*$0.50*".

b. Section 1(c) of the Outstanding Warrants. The value $0.90 shall be replaced with the value "*$0.70*".

c. Section 2.1 of the Outstanding Notes. The value $0.90 in the definition of "Conversion Price" shall be replaced with the value "*$0.50*".

d. The term "Warrants" in the Securities Purchase Agreement shall include also the Additional Warrants.

8. Closing. The aforementioned funding of the Additional Purchase Price and issuances, sales and deliveries of Convertible Note and Warrants shall take place on or as soon as practicable following the date hereof, but no later than the Business Day following the satisfaction or waiver of all of the closing conditions set forth in Sections 6 and 7 of the Securities Purchase Agreement (except Section 7(vii)(Qpoint pay-off letter)) (the "**Closing**" and such date of a Closing being, the "**Closing Date**").

9. Continued Validity of Transaction Documents. Except as specifically amended hereby, the Transaction Documents shall remain in full force. This Amendment shall be a Transaction Document for all purposes under the Securities Purchase Agreement.

10. Heter Iska. For the avoidance of doubt, the form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to the transactions contemplated by this Amendment.

11. Counterparts. This Amendment may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

[*signature page follows*]

IN WITNESS WHEREOF, the Buyer and the Company has caused its signature page to this Amendment to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By:	/s/ Osher Partok Rheinisch	/s/ Noah Hershcoviz
	Name: Osher Partok Rheinisch	Noah Hershcoviz
	Title: CLO	CEO

BUYER:

/s/ Tamas Gottdiener

Tamas Gottdiener

NEITHER THE ISSUANCE AND SALE OF THIS SECURED CONVERTIBLE NOTE NOR THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE I44A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 8 HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

HUB Cyber Security Ltd.

Secured Convertible Note

Issuance Date: _____, 2024 Original Principal Amount: U.S. $_____

FOR VALUE RECEIVED, HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby promises to pay to the order of Tamas Gottdiener, or his registered assigns ("**Holder**"), the principal sum set forth above as the original principal amount (the "**Principal Amount**"), together with interest at a rate equal to the Interest Rate, on any outstanding Principal Amount from the date set out above as the Issuance Date (the "**Loan Amount**"). This Convertible Note (with all notes issued in exchange, transfer or replacement hereof, this "**Note**") is issued pursuant to that certain Securities Purchase Agreement, dated as of March 12, 2024, by and between the Company and the Holder (the "**Securities Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

1. Payments of Principal Amount and Interest. The Principal Amount and interest under this Note shall be payable as follows:

(a) Except as otherwise provided in this Note, the outstanding Principal Amount shall accrue interest at a rate equal to the Interest Rate from the date of this Note until the entire Principal Amount is paid in full, whether at maturity, upon acceleration, by prepayment, conversion or otherwise. Such interest shall be computed (but, for the avoidance of doubt, not compounded) on a daily basis.

(b) Interest accrued on any Principal Amount shall be paid by the Company upon the payment or conversion of such Principal Amount. Any payment made by the Company to the Holder shall first cover the accrued interest and afterwards the Principal Amount.

(c) The Company shall have the option to prepay all or part of the Loan Amount provided the Company (i) provides written notice to the Holder of its election to prepay the Loan Amount at least two (2) Business Days prior to such prepayment, and (ii) pays, on the date of the prepayment (A) the unpaid Principal Amount with respect to such part of the Loan Amount to be prepaid plus (B) all accrued and unpaid interest with respect to such part of the Loan Amount to be prepaid through the date the prepayment is made.

(d) Unless earlier converted into Ordinary Shares or repaid by the Company, the outstanding Principal Amount and accrued but unpaid interest thereon will be due and payable by the Company on the earlier of (i) _____, or (ii) five (5) business days following the closing of a financing in the Company of at least US$25,000,000. Commencing from _____, the Holder shall be entitled to demand repayment of all or a portion of the Note by sending a two (2) Business Days' notice.

(e) All payments made under this Note will be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the Holder may from time to time designate in writing to the Company.

(f) The agreements made by Company with respect to this Note and the other Transaction Documents (as defined in the Securities Purchase Agreement) are expressly limited so that in no event shall the amount of interest received, charged, or contracted for by Holder exceed the highest lawful amount of interest permissible under the laws applicable to the Note. If at any time performance of any provision of this Note or the other Transaction Documents results in the highest lawful rate of interest permissible under applicable laws being exceeded, then the amount of interest received, charged, or contracted for by Holder shall automatically and without further action by any party be deemed to have been reduced to the highest lawful amount of interest then permissible under applicable laws. If Holder shall ever receive, charge, or contract for, as interest, an amount which is unlawful, at Holder's election, the amount of unlawful interest shall be refunded to the Company (if actually paid) or applied to reduce the then unpaid Principal Amount. To the fullest extent permitted by applicable laws, any amounts contracted for, charged, or received under the Transaction Documents included for the purpose of determining whether the Interest Rate would exceed the highest lawful rate shall be calculated by allocating and spreading such interest to and over the full stated term of this Note.

2. Conversion. This Note shall be convertible into validly issued, fully paid and non-assessable Ordinary Shares on the terms and conditions set forth in this Section 2.

(a) Conversion. Subject to the provisions of Section 2(e), at any time or times on or after _____, the Holder shall be entitled to convert any portion or the entirety of the outstanding Loan Amount into validly issued, fully paid and non-assessable Ordinary Shares ("**Conversion Shares**") in accordance with Section 2(c). Any such portion of the outstanding Loan Amount to be converted in accordance with this Section 2 is referred to herein as the "**Conversion Amount**."

(b) Conversion Shares. The number of Conversion Shares issuable upon conversion of the Conversion Amount shall be determined according to the following formula:

$$\frac{\text{Conversion Amount}}{\text{Conversion Price}}$$

No fractional Ordinary Shares are to be issued upon the conversion of this Note. If the issuance would result in the issuance of a fraction of a share, the Company shall round such fraction of a share up to the nearest whole share.

(c) Mechanics of Conversion. The conversion shall be conducted in the following manner:

(i) Holder's Conversion. To convert all or a portion of this Note into Conversion Shares on any date (a "**Conversion Date**"), a Holder shall deliver to the Company (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion in the form attached hereto as **Exhibit A** (the "**Conversion Notice**").

(ii) Company's Response. Not later than the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by email an acknowledgment of confirmation, in the form attached hereto as **Exhibit B**, of receipt of such Conversion Notice to such Holder and the Company's transfer agent (the "**Transfer Agent**"), which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second (2nd) Trading Day following the date of receipt by the Company of such Conversion Notice, the Company shall (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, upon the request of the Holder, credit such aggregate number of Conversion Shares to which the Holder is entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 5(c) of the Securities Purchase Agreement, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Conversion Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Conversion Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Conversion Notice), for the number of Conversion Shares to which the Holder is entitled pursuant to such conversion. Upon delivery of a Conversion Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Conversion Shares with respect to which such Conversion Notice was issued, irrespective of the date such Conversion Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Conversion Shares (as the case may be).

(iii) Disputes. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the number of Conversion Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Conversion Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 19.

(iv) Book-Entry. Notwithstanding anything to the contrary set forth in this Section 2, upon conversion of any portion of this Note in accordance with the terms hereof, no Holder thereof shall be required to physically surrender this Note to the Company. If this Note is surrendered as provided by Section 7, then, provided that there remains any outstanding Loan Amount under this Note at the time of surrender, the Company shall, as soon as practicable and in no event later than three (3) Trading Days after receipt of this Note and at its own expense, issue and deliver to such Holder (or its designee) a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount (if any) under this Note. Each Holder and the Company shall maintain records showing the portion of the Note so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Company, so as not to require physical surrender of the Note upon each such conversion. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any portion of the Note, the outstanding Loan Amount represented by such Note may be less than stated on the face thereof. Each Note shall bear the following legend:

ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 2(C)(IV) AND 7(A) HEREOF. THE LOAN AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2(C)(IV) OF THIS NOTE.

(d) Taxes. (i) All payments made by the Company to Holder under this Note shall be made in full, without set-off or counterclaim and free and clear of, and without any deduction or withholding, and (ii) notwithstanding subsection (i), if under any Israeli law or regulation, any payment of VAT or any deduction or withholding for tax is required ("**Tax Payment**"), the amount of the payment due from the Company to the Holder shall be increased to an amount which (after making any Tax Payment) leaves an amount equal to the payment which would have been due if no Tax Payment had been required (the "**Gross Up**"), except that to the extent that withholding of Israeli tax is required in connection with any interest payable under this Note the Company may withhold up to 10% of the interest or deemed interest paid by the Company without any application of the Gross Up on account of such amount and in such event shall promptly remit the withheld amount to the Israeli Tax Authority and provide the Holder with evidence of such remittance.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in this Note, this Note shall not be convertible or exchangeable by the Holder hereof to the extent (but only to the extent), after giving effect to the issuance of Ordinary Shares issuable upon such conversion, the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares then outstanding, as calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Note shall be convertible or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to convert or exchange this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Note. The limitations contained in this paragraph shall apply to a successor Holder of this Note. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Note or securities issued pursuant to the Securities Purchase Agreement.

(f) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Note a number of Ordinary Shares equal to the maximum number of Conversion Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

3. Rights upon Event of Default; Acceleration.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**":

(i) the Company's failure to maintain sufficient reserves of its authorized and unissued Ordinary Shares to issue the maximum number of Conversion Shares issuable upon conversion of all the Convertible Notes then outstanding;

(ii) the Company's (A) failure to timely deliver the required number of Ordinary Shares upon conversion of this Note, and any such failure remains uncured for a period of five (5) Business Days, or (B) notice, written or oral, to any holder of the Convertible Notes, including, without limitation, by way of public announcement or through any of its agents, at any time, of its intention not to comply, as required, with a request for conversion of any Convertible Notes into Ordinary Shares that is requested in accordance with the provisions of the Convertible Notes, in each case, other than pursuant to Section 2(e);

(iii) the Company fails to remove any restrictive legend on any certificate or any Ordinary Shares issued to the Holder upon conversion or exercise (as the case may be) of the Note as and when required by the Securities Purchase Agreement, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for a period of five (5) Business Days;

(iv) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, which have not been dismissed within sixty (60) days of their initiation;

(v) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action;

(vi) the entry by a court of (A) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (B) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law or (C) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of sixty (60) consecutive days;

(vii) other than as specifically set forth in another clause of this Section 3(a), the Company or any Subsidiary materially breaches any representation or warranty when made, or any covenant or other term or condition of this Note or any other Transaction Document, and, only, in the case of a material breach of a covenant or other term or condition that is curable, if such breach remains uncured for a period of twenty (20) consecutive Trading Days after the delivery by Holder of written notice thereof;

(viii) any provision of this Note or any other Transaction Document (shall at any time for any reason (other than pursuant to the express terms thereof)) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Company or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Company or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document;

(ix) the Company or any of its Subsidiaries shall (A) default in any payment of any amount or amounts of principal of or interest (if any) on any Indebtedness (other than the Indebtedness hereunder), the aggregate principal amount of which Indebtedness is in excess of $2,500,000, provided such default is neither remedied or waived by the creditor or (B) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, in any event the aggregate principal amount of which is in excess of $2,500,000, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness to cause with the giving of notice if required, such Indebtedness to become due prior to its stated maturity, provided such default is neither remedied or waived by the creditor; and

(x) the failure to pay Principal or accrued interest when due.

(b) Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Holder may at its option: (a) declare the entire Loan Amount immediately due and payable; (b) exercise any or all of its rights, powers, or remedies under the Transaction Documents or applicable law or available in equity; (c) convert the outstanding Loan Amount or any portion thereof at the applicable Conversion Price but subject to a minimum Conversion Price of $0.10 per Ordinary Share which minimum Conversion Price shall be subject to adjustment due to comments received from the SEC or The Nasdaq Stock Market; and (d) allow Tamas Gottdiener and/or Benjamin Gottdiener to attend as a non-voting observer meetings of the Company's board of directors and upon request of the observers, to receive those materials presented to the Company's board of directors at such meetings, provided however, that each such observer shall agree to hold in confidence and trust all information so provided in connection therewith, and execute a confidentiality agreement in a form reasonably acceptable to the Company; and provided further that the Company reserves the right to exclude such observer from any meeting of the Company's board of directors and not provide such observer with those materials presented to the Company's board of directors at such meetings if the Company reasonably determines that any of the foregoing individuals may have a conflict of interest due to the subject matter of such meeting or materials, such attendance or receipt of such materials could reasonably be expected to adversely affect the attorney client privilege between the Company and its counsel, or such exclusion is reasonably necessary to protect highly confidential proprietary information. For the avoidance of doubt, the Company shall pay all reasonable expenses incurred to collect the Note.

4. Adjustment of Conversion Price and Number of Conversion Shares. Until the Note has been paid in full or converted in full, the Conversion Price and number of Conversion Shares issuable upon conversion of this Note are subject to adjustment from time to time as set forth in this Section 4.

(a) Stock Dividends and Splits. Without limiting any provision of Section 6, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(b) Calculations. All calculations under this Section 4 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(c) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 4 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Conversion Price and the number of Conversion Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 4(c) will increase the Conversion Price or decrease the number of Conversion Shares as otherwise determined pursuant to this Section 4, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

5. Rights Upon Distribution of Assets. In addition to any adjustments pursuant to Section 4, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 4(a)) (a "**Distribution**"), at any time after the issuance of this Note and until this Note has been paid in full or converted in full, then, in each such case, provision shall be made so that upon conversion of this Note, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on conversion hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

6. Purchase Rights; Fundamental Transaction.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 5 herein, if at any time after the issuance of this Note and until this Note has been paid in full or converted in full the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. At any time after the issuance of this Note and until this Note has been paid in full or converted in full, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 5 and 6(a) above, which shall continue to be receivable thereafter)) issuable upon the conversion of this Note prior to the applicable Fundamental Transaction, such Ordinary Shares (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Note been converted immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares.

7. Reissuance of Note.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 7(d)), registered as the Holder may request, representing the outstanding Loan Amount being transferred by the Holder and, if less than the entire outstanding Loan Amount is being transferred, a new Note (in accordance with Section 7(d)) to the Holder representing the outstanding Loan Amount not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 2(c)(iv) following conversion of any portion of this Note, the outstanding Loan Amount represented by this Note may be less than the Loan Amount stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 7(d)) representing the outstanding Loan Amount.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 7(d) and in Loan Amounts of at least $10,000) representing in the aggregate the outstanding Loan Amount of this Note, and each such new Note will represent such portion of such outstanding Loan Amount as is designated by the Holder at the time of such surrender.

(d) Issuance of New Note. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Loan Amount remaining outstanding (or in the case of a new Note being issued pursuant to Section 7(a) or Section 7(c), the Loan Amount designated by the Holder which, when added to the Loan Amount represented by the other new Notes issued in connection with such issuance, does not exceed the Loan Amount remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, and (iv) shall have the same rights and conditions as this Note.

8. Voting Rights. The Holder shall have no voting rights as the holder of this Note, except as required by law, including but not limited to applicable corporate law of the State of Israel, and as expressly provided in this Note.

9. Covenants. Until this Note has been entirely converted or otherwise satisfied in accordance with its terms:

(a) Rank. This Note shall be senior in right of payment to all other current and future Indebtedness to which the Company is a party, other than the Senior Indebtedness.

(b) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or pay any cash dividend or distribution on any of its capital stock (other than dividends by wholly-owned Subsidiaries to the Company) without the prior express written consent of the Holder.

(c) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Company and each of its Subsidiaries on the Issuance Date or any business substantially related or incidental thereto. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, modify its or their corporate structure or purpose.

(d) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(e) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(f) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

10. No Short Sales. The Holder covenants that through and including the first Trading Day following the full conversion or full repayment of this Note, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

11. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversions and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Note shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 4 hereof). The issuance of Ordinary Shares and certificates for Ordinary Shares as contemplated hereby upon the conversion of this Note shall be made without charge to the Holder or such Ordinary Shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

12. Payment of Collection, Enforcement and Other Costs. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company or any of its Subsidiaries shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the conversion of this Note, and (ii) shall, so long as any of the Loan Amount under this Note remains outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the conversion of this Note, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the conversion of this Note.

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 10(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Conversion Price and the number of Conversion Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Conversion Notice shall be definitive and may not be disputed or challenged by the Company.

16. Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by wire transfer of immediately available funds by providing the Company with prior written notice setting out the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day.

17. Transferability of Note. A Holder may transfer some or all of this Note, or any shares issuable upon conversion of this Note, without the consent of the Company, subject only to the limitations of Section 2(g) of the Securities Purchase Agreement.

18. Amendment. Except as otherwise provided herein, the provisions of this Note may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Majority. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar Convertible Note issued by the Company under the Securities Purchase Agreement.

19. Dispute Resolution. In the case of a dispute as to the determination of the Conversion Price or the arithmetic calculation of the Conversion Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Conversion Shares and the disputed determination of the Conversion Price to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

20. Governing Law. This Note shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Israel or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Israel. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to the transactions contemplated by this Note.

21. Certain Defined Terms. For purposes of this Note, the following terms shall have the following meanings:

"**1934 Act**" means the Securities Exchange Act of 1934, as amended.

"**Bloomberg**" means Bloomberg, L.P.

"**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 19. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

"**Conversion Price**" means the arithmetic average of the Closing Sale Prices of the Ordinary Shares in the five (5) Trading Days prior to the Conversion Date, subject to adjustment as provided herein, however, in any case, the Conversion Price shall not be lower than $_____.

"**Execution Date**" shall have the meaning set forth in the Securities Purchase Agreement.

"**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

"**Interest Rate**" means (i) in respect of any Principal Amount that is repaid on or prior to (but not after) _____, 2024, _____ percent (___%) of such Principal Amount, and (ii) in respect of any Principal Amount repaid following _____, 2024, ___% plus fifteen percent (15.0%) per annum, on the basis of the actual number of days elapsed commencing from the date following _____, 2024 and ending on the payment date, in a year of 360 days.

"**Lien**" means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the federal and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

"**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

"**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

"**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

"**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

"**SEC**" means the Securities and Exchange Commission or the successor thereto.

"**Securities Purchase Agreement**" means that certain securities purchase agreement by and among the Company and the Holder, dated as of the Execution Date, as may be amended from time to time in accordance with the terms thereof.

"**Senior Indebtedness**" means any Indebtedness of the Company or its Subsidiaries incurred prior to the Execution Date, including Indebtedness that is secured by any Lien on any assets of the Company or any of its Subsidiaries, including under any bank or seller-backed financing secured by real or personal property.

"**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

"**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

"**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[*Signature Page Follows*]

IN WITNESS WHEREOF, Holder and the Company have caused their respective signature page to this Convertible Note to be duly executed as of the date first written above.

COMPANY

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

[Signature Page to Convertible Note]

HOLDER

Name: _____

[Signature Page to Convertible Note]

* * * * *

EXHIBIT A

HUB CYBER SECURITY LTD.
CONVERSION NOTICE

Reference is made to that certain Convertible Note (the "**Note**") issued by HUB Cyber Security Ltd., an Israeli company (the "**Company**"), to the undersigned Holder on _____, 2024. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Note.

The undersigned holder hereby exercises the right to convert the portion of the Note indicated below into Ordinary Shares as of the date specified below.

Conversion Date: _____

Loan Amount to be Converted:

_____

Applicable Conversion Price: _____

Number of Ordinary Shares to be issued: _____

Please issue the Ordinary Shares into which the Note is being converted in the following name and to the following address:

Issue to: _____
Address: _____

Holder: _____

By: _____
Title: _____

EXHIBIT B

ACKNOWLEDGMENT

HUB Cyber Security Ltd., an Israeli company (the "**Company**") hereby acknowledges its receipt of the enclosed Conversion Notice and hereby directs [_____] to issue the above indicated number of Ordinary Shares in accordance with the Irrevocable Transfer Agent Instructions dated [_____ __, 20__] from the Company and acknowledged and agreed to by [_____].

HUB CYBER SECURITY LTD.

By: _____

Name: _____

Title: _____

Exhibit 4.36

FORM OF WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE 1933 ACT, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT ("RULE 144"). NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

HUB CYBER SECURITY LTD.

WARRANT TO PURCHASE ORDINARY SHARES

Date of Issuance: _____, 2024 ("**Issuance Date**")

HUB Cyber Security Ltd., an Israeli company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tamas Gottdiener, the registered holder hereof or his permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), _____ (subject to adjustment as provided herein) fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**"). This Warrant is one of the Warrants to purchase Ordinary Shares issued to Holder pursuant to that certain Securities Purchase Agreement, dated as of March 12, 2024, by and among the Company and the investor(s) referred to therein (the "**Securities Purchase Agreement**").

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(d), this Warrant may be exercised by the Holder on any day on or after the Issuance Date (an "**Exercise Date**") in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by email an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall, (i) *provided* that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder's request) and provided the Company determines any legends could be removed from such Ordinary Shares in accordance with the Company's sole discretion, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the Company determines in its sole discretion that legends would not be eligible to be removed from such Ordinary Shares, issue and deliver to the Holder or, at the Holder's instruction pursuant to the Exercise Notice, the Holder's agent or designee, in each case, sent to the address as specified in the applicable Exercise Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account or the date of delivery of the certificates or book entry positions evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 6(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Cashless Exercise. If a registration statement covering the Ordinary Shares that are the subject of the Exercise Notice (the "**Unavailable Warrant Shares**") is not available for the resale of such Unavailable Warrant Shares to the public, the Holder may elect to exercise this Warrant by receiving Ordinary Shares equal to the number of shares determined pursuant to the following formula:

$$X = \frac{Y (A - B)}{A}$$

where,

X = the number of Ordinary shares to be issued to Holder;

Y = the number of Ordinary Shares as to which this Warrant is to be exercised (as indicated on the Exercise Notice);

A = VWAP for the Trading Day immediately preceding the date of exercise; and

B = the Exercise Price.

(c) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $_____, subject to adjustment as provided herein.

(d) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates (either individually or collectively) would beneficially own in excess of 4.99% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the 1934 Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**") and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under this Warrant. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares.

(e) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(f) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 4.99% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the 1934 Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(f); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Holder may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

(g) No Short Sales. The Holder covenants that through and including the first Trading Day following the full exercise or expiration of this Warrant, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

(h) Lock-Up. Notwithstanding anything herein to the contrary, the Holder agrees, until October 1, 2024, not to assign, lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the Warrant or any portion thereof or any Warrant Shares, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Warrant or any Warrant Shares.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. During such time as this Warrant is outstanding, the Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the Issuance Date, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if during such time as this Warrant is outstanding, the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at during such time as this Warrant is outstanding the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. During such time as this Warrant is outstanding, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property (together, the "**Fundamental Transaction Consideration**"), which the Holder would have been entitled to receive upon the closing of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (net of the exercise price at the closing of the applicable Fundamental Transaction); provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(d).

(c) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the 1934 Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 5, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

6. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 6(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 6(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the 1933 Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the 1933 Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 6(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 6(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 6(a) or Section 6(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

7. NOTICES. All notices, consents, requests, approvals, demands, or other communication by any party to this Warrant must be in writing and shall be deemed to have been validly served, given, or delivered in the manner and to the addresses set forth in Section 10(f) of the Securities Purchase Agreement.

8. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(d) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder, provided that the Company may lower the Exercise Price or extend the Expiration Date without the consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

9. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

10. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Israel or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Israel. The Company hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to this Warrant.

11. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

12. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, or the arithmetic calculation of the Warrant Shares (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

13. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). All payments made by the Company to Holder under this Warrant shall be made in full, without set-off or counterclaim and free and clear of, and without any deduction or withholding, and notwithstanding the above, if under any Israeli law or regulation, any payment of VAT or any deduction or withholding for tax is required ("**Tax Payment**"), the amount of the payment due from the Company to the Holder shall be increased to an amount which (after making any Tax Payment) leaves an amount equal to the payment which would have been due if no Tax Payment had been required (the "**Gross Up**"). The Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf. The fees and expenses of such investment bank or accountant shall be borne by the parties in the same proportion as the respective amounts by which the investment bank's or accountant's determination differs from such party's calculation.

14. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

15. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bloomberg**" means Bloomberg, L.P.

(b) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(c) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 12. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(d) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(e) "**Eligible Market**" means the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(f) "**Expiration Date**" means _____, 2027.

(g) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(h) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(i) "**Ordinary Shares**" means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(j) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(k) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(l) "**Principal Market**" means the Nasdaq Capital Market.

(m) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(n) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(o) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(p) "**VWAP**" means, as of any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a trading market, the daily volume weighted average price of one Ordinary Share trading in the ordinary course of business on the applicable trading price for such date (or the nearest preceding date) on such trading market as reported by Bloomberg; (b) if the Ordinary Shares are not then listed on a trading market and if the Ordinary Shares are traded in the over-the-counter market, as reported by the OTC Bulletin Board, the volume weighted average price of one Ordinary Share for such date (or the nearest preceding date) on the OTC Bulletin Board, as reported by Bloomberg; (c) if the Ordinary Shares are not then listed or quoted on the OTC Bulletin Board and if prices for the Ordinary Share are then reported in the "Pink Sheets" published by the Pink OTC Markets Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price of one Ordinary Share so reported, as reported by Bloomberg; or (d) in all other cases, the fair market value of one Ordinary Share as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company (in each case rounded to four decimal places).

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD.

By: _____

Name:
Title:

EXHIBIT A

EXERCISE NOTICE
TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE ORDINARY SHARES

HUB CYBER SECURITY LTD.

The undersigned holder of the attached warrant (the "**Warrant**") hereby exercises the right to purchase in respect of, _____ of the Ordinary Shares ("**Warrant Shares**") of HUB Cyber Security Ltd., an Israeli company (the "**Company**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. The Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

2. Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

HUB CYBER SECURITY LTD.

By: _____

Name:

Title:

Exhibit 4.37

Share Purchase Agreement

From the 3rd day of the 4th month in 2024

Between: **Hub Cyber Security Ltd. Company Registration Number 511029373** (hereinafter: the "**Purchaser**" or the "**Hub**")
of the first part;

and between **Gyro Sky Solutions Ltd. Company Registration Number 516800067**
(In the original Hebrew agreement there is a typo) (hereinafter: "**Seller 1**")
of the second part;

and between **Dolet Systems Ltd. Company Registration Number 516800323**
(hereinafter: "**Seller 2**" and together with Seller 1, "**the Sellers**")
of the third part;

and between **Gari Brizinov, I.D. Number 14584007** (hereinafter: "Gari")
of the fourth part;

and between **Yaacov Golpur, I.D. Number 24874877** (hereinafter: "Yaakov")
of the fifth part;

and between **Qpoint Technologies Ltd., Company Registration Number 514358894** (hereinafter: "**the Company**" or "**Qpoint**")
of the sixth part;

and between **Sensecom Consulting and Projects Management Ltd., Company Registration Number 512604588** (hereinafter: "**Sensecom**")
of the seventh part;

and between **Aginix Engineering and Project Management Ltd., Company Registration Number 511121303** (hereinafter: "**Aginix**")
of the eight part;

and between **Integral Telemanagement Services Ltd., Company Registration Number 513036517** (hereinafter: "**Integral**")
of the ninth part;

Whereas the Company is a private Israeli company;

Whereas Seller 1 declares that it owns 100 ordinary shares of NIS 1, which constitute approximately 26.74% of the issued and paid-up share capital of the Company in full dilution (hereinafter: "**Seller 1's shares**");

Whereas Seller 2 declares that it owns 100 ordinary shares of NIS 1 each, which constitute approximately 26.74% of the fully diluted issued and paid-up share capital of the Company (hereinafter: "**Seller 2's shares**");

(Seller's shares 1 and Seller's shares 2 will be read below: "**Sellers' shares**" or "**Purchased shares**")

Whereas the Purchaser declares that it owns 174 ordinary shares of NIS 1, which constitute approximately 46.52% of the fully diluted issued and paid-up share capital of the Company (hereinafter: "**Purchaser's Shares**");

Whereas the Purchaser wishes to purchase the shares of the Sellers and thus become the owner of the entire shares of the Company (100%);

and whereas the Sellers wish to sell to the Purchaser all of the Sellers' shares as detailed in this Agreement;

Therefore, it was declared, conditioned, and agreed between the parties as follows:

1. **Introduction, Appendices and Commentary**

The introduction to this Agreement and the appendices attached to it are an integral part of it. The division of this Agreement into sections and sub-sections, and the headings appearing in it, were made purely for convenience, and should not be used for the purpose of its interpretation. In this Agreement, what is said in the singular also means the plural, and vice versa, and what is said in the masculine also means the feminine, and vice versa, everything according to the case, unless it is explicitly stated otherwise.

2. Definitions

In this Agreement, unless explicitly stated otherwise, the following terms will be interpreted according to the meaning next to them:

2.1. "**The Agreement**" or "**this Agreement**" - this Agreement and its appendices.

2.2. "**Completion Date**" - a date agreed upon by the parties to make the first payment (as defined below) and which will occur no later than April 8, 2024.

2.3. "**Clean and free**" - clean and free from any pledge, encumbrance, lien, debt, delay, claim, right of set-off or any third party right or obligation to perform or confer any of the above.

2.4. "**Subsidiaries**" - (a) Sensecom, (b) Aginix, and (c) Integral - which are held before the signing of this Agreement by the Purchaser and the Company, as well as (d) Qpoint Solutions Ltd. which is 100% owned by the Company.

3. **Consideration**

3.1. **General**. The Purchaser will pay the Sellers a total of NIS 25,000,000 (in other words: twenty-five million new shekels) in exchange for the Sellers' shares (hereinafter: "**the Consideration**") when they are clean and free, in the following installments and on the following dates:

3.1.1. **Down payment**: At the time of signing the agreement, the Company will pay to the Sellers, out of the total consideration, a sum of NIS 4,000,000 (hereinafter: "the down payment") (that is, a total of NIS 2,000,000 for Seller 1 and NIS 2,000,000 for Seller 2), by means of a transfer to the bank accounts whose details appear in the attached Appendix 3.1.1 (hereinafter: "Seller's Accounts"). It is clarified that this is an advance on account of the Consideration and it will not be returned by the Sellers in any case, including in the event of non-compliance with the completion date and/or the conditions thereto and/or termination or cancellation of this Agreement for any reason whatsoever, and all this without prejudice to any other remedy or right of theirs to which they are entitled under this Agreement or under any law.

3.1.2. **The First Payment**: on the date of completion, the Purchaser will pay the Sellers, out of the total consideration, a total of NIS 16,000,000 (hereinafter: "**the First Payment**") (that is, a total of NIS 8,000,000 for Seller 1 and NIS 8,000,000 for Seller 2) through the ZAHAV transfer to the Sellers' accounts.

3.1.3. **The Second Payment**: the balance of the Consideration in the amount of NIS 5,000,000 (that is, a total of NIS 2,500,000 for Seller 1 and NIS 2,500,000 for Seller 2) will be paid, from the Company to the Sellers, through the transfer of the above to the Sellers' accounts, no later than February 10, 2025, and this without any conditions for completion , in accordance with the mechanism detailed in section 3.4 below (hereinafter: "**the Second Payment**" and "**the Second Payment Date**", as the case may be).

3.2. **Tax and Withholding Tax Approvals**. All consideration payments paid according to the provisions of this Agreement will be made against the presentation of a certificate of bookkeeping and exemption from withholding tax by the recipient of the Consideration or a deduction as stated in the certificate that will be presented and as long as no certificate is presented regarding the tax rate to be withheld - according to the provisions of the law. Without detracting from the generality of the above, the Purchaser will deduct tax at source when paying the Consideration to the Sellers, in accordance with the approvals that will be valid and required by any law.

3.3. **Transfer of Consideration Payments**. The transfer of the proceeds from the Purchaser or someone else on her behalf (without detracting from the Purchaser's sole responsibility for making the payments) to the Sellers will be carried out by bank transfer to the Sellers' accounts (or to an alternate account as provided by the Sellers, provided that the Sellers provide notice at least 2 business days before the designated date of payment). The Purchaser shall transfer to the Sellers any information and documents that the Purchaser's bank may require in order to verify the transfer and its sources. It is clarified that only the actual receipt of the funds in the Sellers' accounts will constitute the payment of the Consideration (or parts thereof) in accordance with this Agreement.

3.4. **The Second Payment Mechanism**:

3.4.1. The company will pay every calendar month until the last business day of that month to the Sellers a total of at least NIS 500,000 per month (that is, a total of NIS 250,000 for Seller 1 and NIS 250,000 for Seller 2) (hereinafter: the "monthly payment") (starting in May 2024, i.e. the first monthly payment will be carried out no later than the date May 10, 2024) up to a total of NIS 5,000,000 which is the full second payment, and in any case in relation to all these monthly payments - no later than February 10, 2025 (for the avoidance of doubt, without this being permission from the Sellers not to pay the monthly payments on a regular monthly basis and postpone them to this last date). For the purpose of carrying out the monthly transfers of the monthly payments, the authorized Qpoint signatories shall, as of the date of signing this Agreement, sign the wording of the attached transfer order in Appendix 3.4.1 (hereinafter: "**Transfer Order**"). To the extent that the authorized Qpoint signatories change in accordance with what is stated in Section 6.2 below, the Purchaser and the Company undertake, jointly and severally, to deliver to the Sellers updated transfer instructions accordingly and without delay. Insofar as the Company does not make the monthly payment for any reason, the Purchaser undertakes to make the monthly payment within three (3) business days of the Sellers' notice of such. Failure to make such a payment, whether subsequently by the Company or by Hub, will constitute a fundamental breach of this Agreement.

3.4.2 Notwithstanding all of the above, in any of the events listed in this section 3.4.2, the Company and the Purchaser undertake, jointly and severally, to advance the execution of the balance of the monthly payments at that time and transfer the entire balance in full to the Sellers (for the avoidance of doubt, before the scheduled second payment date on February 10, 2025 *(In the original Hebrew agreement there is a typo)* as stated above) within seven (7) business days of receiving the Sellers' written notice (hereinafter: "**the Sellers' Notice**"):

3.4.2.1. Failure to pay employee rights in the Company and/or the subsidiaries (including failure to transfer payments to the funds) on time, and in the event of the termination (including as a result of resignation) of the employment of Gari and/or Kobi in the Company and/or the subsidiaries, in which case the Seller's Notice will be given above within seven (7) business days from the date of notification of the termination of their employment, or notification of their resignation, as the case may be and whichever is earlier.

3.4.2.2. (a) To the extent that insolvency proceedings of any kind were opened against the Purchaser and/or the Company and these were not deleted within thirty (30) days; and/or (b) if an application is submitted for receivership of a substantial asset from the assets of the Purchaser and/or the Company (including the pledged shares (as defined below), or part of them) and is not canceled within thirty (30) days from the date it was submitted; and/or (c) if a receivership order is given as mentioned or if a permanent and/or temporary receiver and/or other receiver is appointed for the aforementioned property, and the said order or appointment is not canceled within thirty (30) days; and/or (d) To the extent that a lien was imposed, permanent or temporary, on an asset, account, funds, rights, securities, etc. owned by the Purchaser and/or the Company, which was not removed completely and unconditionally within 30) days; and/or (e) to the extent that any event has occurred, whether in the hands of Hub or outside of its control, that: (1) significantly and irreversibly reduces the business activity of the parent group, and/or (2) harms its financial capabilities, in a way that may harm Hub's ability to meet its obligations according to this Agreement, if requested, Hub will present to the Sellers references to refute the existence of the events listed above.

4. Letter of intent to the Purchaser

At the request of the Purchaser, at the time of signing this Agreement, a signed and original version of letter of intent to remove Encumbrance No. 33 (hereinafter: "**Encumbrance 33**") on the Purchaser's shares in the Company and the subsidiaries (hereinafter: the "**Encumbered Shares**") will be delivered to the Purchaser in the form attached to this Agreement as Appendix 4 (hereinafter: "**Letter of Intent**"). It is clarified that nothing in the Letter of Intent is intended to detract from the rest of the Purchaser's obligations in accordance with this Agreement and to pay the Consideration in full. It is agreed and clarified that the Encumbrance will not be removed and that no Encumbrance 33 removal documents will be delivered before the Down Payment and the First Payment, in full, are transferred and actually received by the Sellers.

5. Completion of the Transaction

At the Completion Date, which will be held at the Gornitzky & Co. Law Offices, the following actions will be performed simultaneously and all the following documents will be delivered:

5.1. The Purchaser will pay the Sellers all the funds of the first payment and will present a confirmation of the transfer of the same and which at the same time each of the Sellers will confirm in writing that his part of the first payment has been received in his bank account (subject to the provisions of section 3.3 above).

5.2. The Purchaser will hand over to the Sellers the approval of the Purchaser's Board of Directors for this Agreement and the transactions under its authority in the form of the Memorandum attached as Appendix 5.2 (hereinafter: "**Board of Directors Approval**"), duly signed by the Chairman of the Board of Directors (or by all of the directors in the case of a written decision), in accordance with the incorporation documents of the Purchaser, with the approval of a lawyer on behalf of the Purchaser regarding the aforementioned. The Purchaser will work to obtain the approval of the Board of Directors so that it is received at the time of signing this Agreement and will deliver a copy of it in trust to the Sellers' Attorney and subsequently it will be delivered to the Sellers at the aforementioned completion date.

5.3. The Purchaser will deliver to the Sellers the signed transfer instructions in 10 original copies.

5.4. The Sellers and the Purchaser will sign share transfer deeds to transfer the seller's shares to the Purchaser, when they are clean and free in the form attached as Appendix 5.4 to this Agreement.

5.5. Each of the Sellers will deliver to the Purchaser letters of resignation from the board of directors of all the directors on their behalf in the Company and the subsidiaries in the form attached as Appendix 5.6 to this Agreement.

5.6. The Company and the subsidiaries will give board approval for this Agreement and the transactions under it, as agreed at the time of signing the Agreement and a copy of which will be delivered at the time of signing this Agreement to the parties.

6. Employment of Gari and Kobe, non-competition and solicitation and signing rights

6.1. Gari and Kobe will continue to be employed in their positions in the Company and/or in the subsidiaries in the same manner that they were at the signing of this Agreement, until January 31, 2025.

6.2. It is agreed that as long as Gari and Kobe are employed by the Company and/or the subsidiaries, the Company's board of directors and/or the subsidiaries will be entitled to make changes to the signature rights in the Company and/or the subsidiaries, provided that: (a) Gari and Kobe will have signature rights and/or (b) Such changes and the resulting changes in the structure of expenses, will not result in Qpoint not being able to meet the monthly payment amounts to the Sellers, and/or (c) will affect the validity of the transfer instructions (and as necessary these transfer instructions will be updated accordingly and without delay as detailed in section 3.4.1 above) .

6.3. The Sellers and/or Gari and Kobe undertake to continue to perform their duties faithfully to the Company and/or the subsidiaries until the date of termination of their employment, and to act in an optimal manner as they have been doing so far, so that the revenues of the Company and the subsidiaries (together) will as much as possible amount to NIS 65 million and the Company's profitability and/or the subsidiaries will be similar to the results of the years 2022-2023, provided that the Purchaser has not changed the structure of expenses (among other things, management fees, rent and employee rights) in the Company. It is clarified that the aforementioned does not constitute any obligation and/or guarantee to achieve the aforementioned results and that in any case the second payment will not depend on this.

6.4. From the date of termination of the employment of Gari and Kobe in the Company and/or in the subsidiaries, they undertake not to engage, either directly or indirectly, in exchange or without compensation, either as employees or as self-employed, in any business, job, work or other occupation that directly competes with the Company and/or the subsidiaries and in their businesses for a period of eighteen (18) months from the date of termination of employment in the Company and/or the subsidiaries (hereinafter: the "cooling off period"). It is also agreed that this commitment also includes (a) not to contact the customers and/or suppliers of the Company and/or the subsidiaries so that they cancel the contract with the Company and/or the subsidiaries and/or change the terms of the contract with them and/or to reduce it, and (b) Not to hire and/or solicit and/or make any job offer to employees of the Company and/or subsidiaries and/or consultants and/or service providers, either as employees or as service providers, whether for or not for consideration.

7. Authority

7.1. There is no restriction, prohibition or prevention according to any law or agreement, or any other limitation, to the contracting of any of the parties to this Agreement and to the performance of all their obligations according to this Agreement.

7.2. It is hereby agreed that with the exception of the express representations provided by the Sellers in this Agreement, they do not provide any additional representations in or outside of this Agreement and that accordingly the purchased shares are purchased in their AS IS condition.

7.3. The parties declare and confirm that the transaction that is the subject of this Agreement constitutes a sale by the voluntary sellers to a voluntary purchaser, and that each party has conducted its own examinations in connection with the viability of the transaction, including the value of the transaction.

8. Taxation

Each party will bear the tax payments applicable to it according to any law.

9. Officers' Insurance

The Purchaser undertakes to continue to insure Gari and Kobe with officers' liability insurance in the scope and under the conditions applicable at the signing of this Agreement for a period of seven (7) years from the end of Gari and Kobe's employment with the Company and/or the subsidiaries. The Purchaser will provide confirmation of such insurance at the time of signing this Agreement and thereafter in accordance with the Sellers' demand for this from time to time.

10. Declarations and Obligations of the Purchaser

Without detracting from the parties' declarations as detailed above, the Purchaser hereby declares, undertakes and confirms as of the date of signing and the date of completion, as follows:

10.1. The authorized bodies of the Purchaser have approved all the transactions subject to this Agreement and its obligations.

10.2. The entering into of this Agreement, and its full execution by the Purchaser do not contradict the law and any other agreement; There is no restriction, or prohibition, or prevention, or requirement for approval or consent, either by law, or in the agreement, on or for that purpose, as the case may be, in relation to the Purchaser's entering into this Agreement, all the transactions by virtue of it, and its full performance by the Purchaser, and all of these: (a) do not require any consent, approval, order, license or statement from any person or entity, including creditors of the Purchaser and/or company and including, a governmental or judicial authority, or submission of an application to such governmental or judicial authority; (b) shall not establish a right to terminate any agreement to which the Purchaser is a party and/or applicable to its assets; and/or (c) will not cause acceleration of rights towards the Purchaser.

10.3. She has the financial and legal capacity to meet her obligations under this Agreement and that she has consulted the relevant professional (financial and legal) factors, after careful examination of her financial and legal situation by her legal advisors and the board of directors, in order to confirm that she is able to enter into this Agreement and execute it and all transactions thereunder.

11. Warranty and indemnification

11.1. The purchaser and/or the Company and/or the subsidiaries, jointly and severally ("**the Indemnifying Party**"), undertake to compensate and indemnify the Sellers and/or Gari and/or Kobe (including their shareholders, managers, successors and/or heirs, collectively: "**the Indemnified Party**") in respect of any loss, damage (of any kind) or expense, including legal expenses, incurred by them in practice, all by a third party (including customers, suppliers, employees, managers and shareholders), for their activities in the Company and/or the subsidiaries.

11.2. The obligation of the Indemnifying Party to compensate and indemnify the indemnified party as stated above, is conditioned and subject to the fulfillment of all the following conditions: (a) receipt of a written notice immediately upon becoming aware of the claim or the fear of its existence by the Indemnified Party; (b) giving the Indemnifying Party the opportunity to exclusively conduct the claim and/or the settlement and/or the proceedings; and (c) reasonable cooperation of the indemnified party with the Indemnifying Party, including in the delivery of documents and information. The Indemnified Party will be entitled to participate in the proceedings through a lawyer on his behalf and at his own expense and without detracting from the exclusive management of the indemnifying party.

12. The Applicable Law; Jurisdiction

12.1. Israeli law will apply to this Agreement.

12.2. Should differences of opinion arise between the parties to this Agreement, in any matter relating to its conclusion and/or execution and/or interpretation, and should the parties fail to reach an agreement regarding the settlement of these disputes within seven (7) days, the parties agree to submit the dispute to the decision of the following sole arbitrator: Retired judge Eitan Orenstein (hereinafter: "**the Arbitrator**"). If the Arbitrator is unable or unwilling to settle between the parties, the parties will appoint another arbitrator by agreement and in the absence of agreement, the head of the Bar Association will appoint an arbitrator who is a retired judge of the District or Supreme Courts.

12.3. The Arbitrator will be subject to the substantive law and will be obliged to justify his decision. The Arbitrator will be exempt from procedural regulations and the laws of evidence and will be entitled to grant temporary and final remedies as he deems appropriate.

12.4. The signing of this Agreement by the parties will be considered as the signing of an arbitration agreement which will remain in force even if this Agreement is revoked.

13. Miscellaneous

13.1. This agreement, with its appendices, exhausts the entire agreement between the parties and will supersede any understanding, representation, agreement, draft or previous commitment, either directly or for the benefit of a third party, between the parties or between any of them, and any negotiation, summary, memorandum of principles, understanding or an agreement between the parties or between any of them in connection with the matters the subject of this Agreement, prior to its signing, whether in writing or orally, are null and void, shall be considered as if they had never been made, shall not be used for the interpretation of this Agreement and shall not add to the obligations and rights of the parties as stipulated in this Agreement or those arising from our name, subtract from them or change them.

13.2. After the signing of this Agreement and subject to its full execution, all parties to the Agreement waive any dispute and any claim and/or any demand of any kind and type between the parties all among themselves and their successors, managers, employees and shareholders, and each party waives any claim that is or has been him towards his counterpart upon the full execution of this Agreement (including the loan agreement dated September 26, 2023). It is clarified that this does not prejudice any claim regarding this Agreement and/or its violation.

13.3. Any change, amendment or addition to this Agreement will not have any effect and any agreement, settlement or extension will not bind the parties to this Agreement unless made in writing and duly signed by all parties to this Agreement. A claim of changing an oral agreement will not be heard.

13.4. Any waiver by a party to this Agreement of a right granted to him in this Agreement will be valid only if made in writing. If a party to the Agreement refrains from utilizing any of his rights according to the Agreement or according to any law or does not use said right on time - this will not be considered a waiver on his part of the said right. If the waiver is valid, it will be valid for its time and matter only and will not create any estoppel or obstacles in the future. A waiver and/or extension given by a party to an agreement to another party will not constitute a precedent and/or enable one to learn of an equivalent decision for a similar and/or different and/or other case.

13.5. The parties will take the additional steps necessary for the implementation of this Agreement in its wording and spirit (including actions to complete the transfer of the purchased shares, as required) and will sign any document whose signature will be necessary for this purpose, provided that there is no additional financial expense to the party required to sign.

13.6. If it is determined that any provision of this Agreement is invalid, illegal or unenforceable, and subject to the fact that this determination will not be to nullify the main purpose of this Agreement, this will not result in the invalidity of the other provisions of this Agreement and/or to affect their validity, the legality or enforceability of the other provisions of this Agreement.

13.7. This agreement can be signed in any number of identical copies, including through an electronic signature system or email, each of which is signed by one or more parties to this Agreement will be considered together as one document (for the avoidance of doubt, provided that, in total, all parties to this Agreement signed it as mentioned).

13.8. The rights and obligations of the parties according to this Agreement cannot be transferred, assigned and/or transferred except with the consent of the other parties to it.

13.9. Any notice from any of the parties shall be in writing and sent to the recipients by personal delivery, by e-mail or by registered mail to their address specified in the introduction to this Agreement (or to any other address to which written notice has been given to the other parties) and shall be deemed to have reached each recipient on the day of its delivery if delivered by personal delivery or by e-mail, at the above address or at the end of 72 hours from the date of dispatch if it was sent by registered mail to the above address, or confirmation of its presentation at the addressee - if it was sent by e-mail.

In witness whereof the parties have come undersigned: (signatures on the next page)

Signatures for the Share Purchase Agreement

From the 3rd day of the 4th month in 2024

/s/ Osher Partok Rheinisch

/s/ Noah Hershcoviz	/s/ Gari Brizinov	/s/ Yaacov Golpur
Hub Cyber Security Ltd.	Gyro Sky Solutions Ltd	Dolet Systems Ltd
By: Osher Partok Rheinisch By: Noah Hershcoviz	By: Gari Brizinov	By: Yaacov Golpur
/s/ Gari Brizinov	/s/ Yaacov Golpur	/s/ Yaacov Golpur
Gari Brizinov	Yaacov Golpur	Qpoint Technologies Ltd By: Yaacov Golpur
/s/ Yaacov Golpur	/s/ Yaacov Golpur	/s/ Yaacov Golpur
Sensecom Consulting and Projects Management Ltd	Aginix Engineering and Project Management Ltd	Integral Telemanagement Services Ltd
By: Yaacov Golpur	By: Yaacov Golpur	By: Yaacov Golpur

Exhibit 4.38

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (as amended, restated, amended and restated, modified or otherwise supplemented from time to time this "**Agreement**") is dated as of December 4, 2023 (the "**Effective Date**") among Hub Cyber Security Ltd., an Israeli company ("**Lender**") and Blackswan Technologies, Inc., a Delaware corporation ("**Borrower**"), and provides the terms on which Lender shall lend to Borrower and Borrower shall repay Lender. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 8. Lender and Borrower agree as follows:

1. LOAN AND TERMS OF PAYMENT

1.1 Loan.

(a) Term Loan Advances. Subject to the terms and conditions of this Agreement, Lender may make, at its sole discretion and subject to the receipt by Lender of any required corporate approvals, advances to Borrower (each, a "**Term Loan Advance**" and collectively, the "**Term Loan Advances**"), from time to time, during the period commencing on the Effective Date until June 30, 2024, in an aggregate principal amount of up to six million dollars ($6,000,000). In order to request a Term Loan Advance, Borrower must notify Lender by electronic mail of the amount of Term Loan Advance that Borrower requests to borrow and the account to which Borrower requests Lender wire such Term Loan Advance. After repayment, no Term Loan Advance may be re-borrowed.

(b) Principal and Interest Payments. All unpaid principal and accrued and unpaid interest on any Term Loan Advance is due and payable in full on the Maturity Date.

(c) Promise to Pay. Borrower hereby unconditionally promises to pay Lender the outstanding principal amount of all Term Loan Advances and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

(d) Use of Proceeds. The funds received by Borrower from Lender on account of the Loan Term Advances shall be used to pay suppliers necessary for the performance of the obligations of Borrower and its Affiliates under services agreements, including, for the avoidance of doubt, the Software as a Service Agreement between ING Bank N.V. and BlackSwan Technologies GmbH ("**BST Germany**"), entered into on or around the date of this Agreement (the "**ING Agreement**").

1.2 Prepayment.

(a) Mandatory Prepayment Upon an Acceleration. If the repayment date of any Term Loan Advance is accelerated by Lender following the occurrence of an Event of Default (as defined below), Borrower shall immediately pay to Lender an amount equal to the sum of: (i) all accrued and unpaid interest with respect to each Term Loan Advance through the date the prepayment is made, plus (ii) all unpaid principal with respect to each Term Loan Advance, plus (iii) all other unpaid sums, if any, that shall have become due and payable hereunder with respect to this Agreement as of the date of repayment.

(b) Voluntary Prepayment. Borrower shall have the option to prepay all or part of the Term Loan Advances advanced by Lender under this Agreement provided Borrower (i) provides written notice to Lender of its election to prepay the Term Loan Advance at least two (2) Business Days prior to such prepayment, and (ii) pays, on the date of the prepayment (A) all accrued and unpaid interest with respect to such part of the Term Loan Advances being prepaid through the date the prepayment is made; plus (B) all unpaid principal with respect to such part of the Term Loan Advances being prepaid.

1.3 Calculation of Interest on the Term Loan Advances.

(a) Interest Rate. The principal amount outstanding for each Term Loan Advance shall accrue interest from and after the Effective Date at a fixed rate per annum equal to fifteen percent (15%), which interest shall be payable in accordance with Section 1.1(b).

(b) Default Rate. Upon the occurrence and during the continuance of an Event of Default, overdue Obligations shall bear interest at a fixed rate per annum equal to eighteen percent (18%) until the full repayment of all the Obligations.

(c) Interest Computation. Interest shall be computed on the basis of a 365-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 2:00 p.m. Israel time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Term Loan Advance shall be included and the date of payment shall be excluded.

1.4 Payments.

(a) Method; Delivery. All payments to be made by Borrower hereunder shall be made in immediately available funds in Dollars, before 2:00 p.m. Israel time on the date when due to Lender in accordance with wire transfer instructions to an account to be specified by Lender by notice in writing to Borrower. Payments of principal and/or interest received after 2:00 p.m. Israel time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Tax.

(i) Borrower shall promptly pay any documentary, stamp or other equivalent tax or duty payable on or by reference to this Agreement, and shall, on the Lender's demand, fully indemnify Lender against any costs, losses, liabilities and expenses resulting from any failure or delay by Borrower to pay such a tax.

(ii) Borrower shall make all payments to be made by Borrower hereunder without any tax deduction, provided that if a tax deduction is required by law (i) Borrower shall promptly upon becoming aware that it must make a tax deduction notify Lender and (ii) the amount of the payment due from Borrower shall be increased to an amount which (after making any tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.

2. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

2.1 Payment Default. Borrower fails to make any payment of principal or interest on any Term Loan Advance within two (2) Business Days after such Obligations are due and payable (which two (2) Business Day cure period shall not apply to payments due on the Maturity Date).

2.2 Insolvency. (a) Borrower or any Subsidiary thereof begins an Insolvency Proceeding; (b) an Insolvency Proceeding is begun against Borrower or any Subsidiary thereof and is not dismissed or stayed within thirty (30) days; (c) Borrower or any Subsidiary thereof ceases, threatens to cease, or suspends carrying on its business or a substantial part of its business; or (d) any other event (whether related or not) occurs in the business affairs, assets or condition (financial or otherwise) of Borrower or its Affiliates, the effect of which is, in the reasonable opinion of Lender, to materially imperil, delay or prevent the due fulfillment by Borrower of any of its payment obligations or other undertakings under this Agreement.

2.3 Change in Control. The occurrence of a Change in Control.

2.4 Breach of Obligations and Covenants. Borrower and BST Germany fail to perform any of their respective obligations or covenants set forth under this Agreement and any other document related thereto.

3. LENDER'S RIGHTS AND REMEDIES

3.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Lender may (i) declare all Obligations immediately due and payable, (ii) exercise any of the rights and remedies available under applicable law and this Agreement and (iii) take all actions it deems fit to realize, at Borrower's expense, any of the security interests created under this Agreement, including the Pledge, in whole or in part, whether by appointment, or application to a competent court or the execution office for appointment, of a receiver or by any other method permitted under applicable law.

3.2 No Waiver; Remedies Cumulative. Lender's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement shall not waive, affect, or diminish any right of Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Lender's rights and remedies under this Agreement are cumulative. Lender has all rights and remedies provided by law or in equity. Lender's exercise of one right or remedy is not an election and shall not preclude Lender from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Lender's waiver of any Event of Default is not a continuing waiver. Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

3.3 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Lender on which Borrower is liable.

3.4 Right in Proceedings. Lender shall be entitled, in any proceedings concerning the liquidation, bankruptcy, judicial management, winding-up or receivership (or similar proceedings) of the Borrower, to (i) demand, claim, collect and enforce and prove the Obligations and give acquittance thereunder; (ii) file any claims and proofs, give receipts and take all such proceedings and do all such things as Lender see fit to recover the Obligations; and/or (iii) receive all distributions on and payments with respect to the Obligations.

4. SECURITY

4.1 Each of Borrower and BST Germany hereby grants to Lender, for Lender's exclusive benefit, a first ranking fixed charge and pledge in all of the rights and interests of Borrower, BST Germany and their Subsidiaries (i) under any agreements entered into by any of them following the Effective Date, including for the avoidance of doubt, the ING Agreement, and any rights to receive proceeds thereunder and (ii) in any Intellectual Property, as a continuing security for the full and punctual payment and performance when due (whether at stated maturity, acceleration or otherwise) of all Obligations hereunder (the "**Pledge**"). Each of Borrower and BST Germany further covenants to execute, and covenants to cause its Subsidiaries to execute, any document, including without limitation, the Intellectual Property Security Agreement in the form attached hereto as Exhibit A and the Security Assignment in the form attached hereto as Exhibit B, or do any act or thing which in the reasonable determination of Lender is necessary to create, perfect, register or give effect to the Pledge and the realization thereof in accordance with the terms hereof and any applicable law.

4.2 The security under the Pledge constituted by this Agreement shall constitute and be a continuing security notwithstanding any settlement of account or other matter and shall not be considered satisfied by any intermediate payment of all or any of the Obligations and shall continue in full force and effect until the Obligations will be paid in full.

4.3 Neither Borrower nor BST Germany shall do or agree to do any of the following (and each of Borrower and BST Germany shall ensure that none of its Subsidiaries will) without the prior written consent of the Lender: (i) create or permit to subsist any lien on any of the pledged assets under the Pledge other than as created by this Agreement; or (ii) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any pledged asset under the Pledge.

5. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any party may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 4.

If to the Lender:

HUB Cyber Security Ltd.
30 Ha'Masger St.
Tel Aviv 6721117, Israel
Tel: +972-3-924-4074
Email Address: Osher Partok Rheinisch, Chief Legal Officer
Attention: osher.p.rheinisch@hubsecurity.io

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: adam.klein@goldfarb.com; daniel.kahn@goldfarb.com

If to the Buyer:

Blackswan Technologies, Inc.
150 Menachem Begin Rd.
Tel-Aviv 6492128, Israel
Attention: [ ]
Email: [ ]

6. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Israeli law governs this Agreement without regard to principles of conflicts of law. The parties hereto each (x) submit to the exclusive jurisdiction of the courts in Tel Aviv, Israel and (y) agree not to bring any action or suit arising out of or relating to this Agreement in any other court. Each of the parties hereto submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each of the parties waives any objection that it may have based upon lack of personal jurisdiction, improper venue (including by reason of its current or future domicile), or *forum non conveniens* and consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each of the parties agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such party at the address set forth in Section 4 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of actual receipt thereof or three (3) days after deposit in the mail, proper postage prepaid.

This Section 6 shall survive the termination of this Agreement.

7. GENERAL PROVISIONS

7.1 Indemnification. Borrower agrees to protect, defend, indemnify and hold harmless the Lender against and in respect of any and all loss, damage, cost, or expense of Lender as and when incurred as a result of this Agreement, including any breach of the provisions hereof, and any cost or expenses, including reasonable legal fees incurred in connection with enforcing the rights of Lender hereunder.

7.2 Related Costs. Borrower shall reimburse Lender, within seven (7) Business Days of Lender's written request, for all reasonable costs, fees and expenses (including reasonable legal fees) incurred in connection with the acceleration of the Obligations and the enforcement of the Lender's rights hereunder.

7.3 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and/or all Obligations have been satisfied. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

7.4 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No party hereto may assign this Agreement or any rights or obligations under it without the other party's prior written consent (which may be granted or withheld in such party's discretion), provided that Lender will be entitled to assign its rights, duties and obligations hereunder to any one or more Affiliates of Lender.

7.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

7.6 Amendments in Writing; Waiver; Integration. No purported amendment or modification of this Agreement, or waiver, discharge or termination of any obligation under this Agreement, shall be enforceable unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on this Agreement. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. This Agreement represents the entire agreement about this subject matter and supersede prior negotiations or agreements.

7.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts (in each case, including via facsimile, .pdf or other electronic means), each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

7.8 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

7.9 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

7.10 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

8. DEFINITIONS

8.1 Definitions. As used herein, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, and the singular includes the plural. As used in this Agreement, the following capitalized terms have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person controlling, controlled by, or under common control with such other Person. For purposes of this definition, "**control**," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have correlative meanings.

"**Business Day**" is any day that is not a Saturday, Sunday or a legal holiday on which banks located in Tel Aviv, Israel are closed for business.

"**Change in Control**" is defined as any of the following: (i) any consolidation or merger of Borrower with or into one or more entities, the sale of any equity securities of Borrower, or any other transaction or series of transactions, whether or not Borrower is a party thereto, as a result of which the equityholders of Borrower immediately prior to such consolidation, merger, sale or transaction or their Affiliates no longer own directly or indirectly equity securities representing a majority of economic interests in or voting power of Borrower or other surviving entity; or (ii) any sale, lease or other transfer in one transaction or a series of transaction of all or substantially all of the assets of Borrower and its Subsidiaries on a consolidated basis.

"**Dollars**," "**dollars**" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Insolvency Proceeding**" is any proceeding by or against any Person under any bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means any and all of the following: patents and patent applications (including design patents, divisionals, continuations, continuations-in-part, substitutions, reissues, re-examinations, extensions, restorations of any of the foregoing, and other and similar rights), industrial designs, copyrights or works of authorship (including proprietary rights with respect to software and databases, whether or not copyrightable), and all registrations, applications for registration, and renewals of any of the foregoing, mask work rights, rights with respect to trade secrets, know-how, inventions (whether or not patentable), technology, and other confidential or proprietary information, trademark rights, trade dress rights, and similar rights with respect to indicia of source or origin, rights with respect to data and any other intellectual, proprietary or industrial property rights, whether arising under the laws of the United States or any other jurisdiction.

"**Maturity Date**" is January 1, 2025.

"**Obligations**" are Borrower's obligations to pay when due any principal and interest and any other payments, including expenses, under this Agreement.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, limited liability company, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

BLACKSWAN TECHNOLOGIES, INC.

By: /s/ Ranan Grobman
Name: Ranan Grobman
Title: Director

AGREED AND ACKNOWLEDGED:

BST GERMANY:

BLACKSWAN TECHNOLOGIES GMBH

By: /s/ Ranan Grobman
Name: Ranan Grobman
Title: Director

LENDER:

HUB CYBER SECURITY LTD.

By: /s/ Osher Partok Rheinisch
Name: Osher Partok Rheinisch
Title: CLO

By: /s/ Kobi Levi
Name: /s/ Kobi Levi
Title: CFO

Exhibit A

Intellectual Property Security Agreement

Exhibit B

Security Assignment

Exhibit 4.39

FIRST AMENDMENT TO CONVERTIBLE LOAN AGREEMENT

This First Amendment (this "**Amendment**") to that certain Convertible Loan Agreement, dated as of July 9, 2023 (as amended and in effect from time to time, including by this Amendment, the "**Loan Agreement**"), by and between HUB Cyber Security Ltd., a company organized under the laws of the State of Israel (the "**Company**"), and Shayna LP, a hedge fund registered in the Cayman Islands (the **"Lender"**), is made and entered into as of August 17, 2023, by and between the Company and the Lender. Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement.

WHEREAS, the parties desire to amend the Loan Agreement, as set forth herein in a written instrument signed by the Company and the Lender;

NOW THEREFORE, in consideration of the premises and covenants set forth herein and in the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to amend the Loan Agreement, as follows:

1. Amendment and Restatement of Section 3.8 in the Loan Agreement. Section 3.8 is hereby amended and restated in its entirety as follows:

"In the Three Conversion Loan Agreements, the Lender reserves the right to demand from the Company, in a written notice (hereinafter: the "Conversion Notice"), at any time and from time to time, to repay each of the Loans, in whole or in part (to the extent not previously converted), at the Lender's sole discretion, by way of conversion to the Company's shares, at the conversion rate that is equal to $0.20 (hereinafter the "Conversion Rate")."

2. Conditions to Effectiveness. This Amendment shall be effective as of the date first written above upon the receipt by the Lender of this Amendment, duly executed and delivered by the Lender and the Company.

3. Continued Validity of Loan Agreement. Except as specifically amended hereby, the Loan Agreement shall remain in full force and effect and all of the rights and obligations of each of the Loan and the Company under the Loan Agreement are affirmed. In the event of a conflict between this Amendment and the Loan Agreement, this Amendment shall control. All references in the Loan Agreement or any of the Three Conversion Loan Agreements shall hereafter refer to the Loan Agreement as amended hereby.

4. Governing Law; Dispute Resolution. This Amendment shall be governed by and construed in accordance with the laws of the State of Israel, without reference to principles of conflict of laws or choice of laws.

5. Counterparts. This Amendment may be executed in two or more counterparts (including facsimile or "pdf" counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Each party hereto hereby agrees that this Amendment and any other document to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Amendment or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Uzi Moskovich
Name: Uzi Moskovich
Title: Chief Executive Officer

LENDER:

SHAYNA LP

By: /s/ Guy Schnetzer
Name: Guy Schnetzer
Title: Authorized Signatory

Exhibit 4.40

FIRST AMENDMENT TO CONVERTIBLE LOAN AGREEMENTS

This First Amendment (this **"Amendment")** to those certain Convertible Loan Agreements, dated as of February 23, 2023 (the **"First Convertible Loan Agreement"),** June 11, 2023 (the **"Second Convertible Loan Agreement")** and July 7, 2023 (the **"Third Convertible Loan Agreement",** and together with the First Convertible Loan Agreement and the Second Convertible Loan Agreement: the **"Convertible Loan Agreements"),** by and among HUB Cyber Security Ltd., a company organized under the laws of the State ofisrael (the **"Company"),** the original lender, Shayna LP, a hedge fund registered in the Cayman Islands **("Shayna"),** and Akina Holding Limited (the **"Lender")** to which all of Shayna's rights under the Convertible Loan Agreements, with the exception of consulting and brokerage fee under section 5 of the Third Loan Agreement, were sold to, is made and as of March 31, 2024 (the **"Signing Date"),** but will only enter into effect upon its approval by the Board of Directors of the Company (the **"Effective Date")** by and among the Company, Shayna and the Lender (collectively the **"Parties").** Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement.

WHEREAS the Parties desire to amend the Convertible Loan Agreements, as set forth herein in a written instrument signed by the Company, Shayna and the Lender;

NOW THEREFORE, in consideration of the premises and covenants set forth herein and in the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree to amend the Convertible Loan Agreements, as follows:

1. Amendment and Restatement of Section 3.8 in the Third Convertible Loan Agreement. Section 3.8 in the Third Convertible Loan Agreement is hereby amended and restated in its entirety as follows:

"In the three Convertible Loan Agreements, the Lender and Shayna reserve the right to demand from the Company, in a written notice (hereinafter: the ***"Conversion Notice"),*** *at any time and ji-om time to time, to repay each of the Loans, in whole or in part (to the extent not previously converted), at the Lender's and/or Shayna sole discretion, by way of conversion to the Company's shares, up to a total of 5,129,375 shares for the entire Loans (calculated under an agreed USDINIS rate of 3.65, and at a conversion price of $0.9), of which the lender will be entitled to convert for up to 75.98% of the Loans (constituting 3,897,455 shares) and Shayna will be entitled to convert for up to 24.02% of the Loans (constituting l,23I,920 shares)."*

2. Amendment and Restatement of Section 3.6 in the First Convertible Loan Agreement and of Section 3.12 in the Third Convertible Loan Agreement. Section 3.6 in the First Convertible Loan Agreement and Section 3.12 in the Third Convertible Loan Agreement are hereby amended and restated in their entirety as follows:

"In addition to the allocation of the shares for the Loans, as mentioned, the Lender and Shayna will be allocated, without additional consideration, 5,129,375 warrants in total and this against and.for the First Convertible Loan, the Second Convertible loan and.for The Third Convertible Loan as defined above (calculated under an agreed USDINIS rate of 3.65, and at a conversion price of $0.9), of which the Lender will receive 3,897,455 warrants and Shayna will receive J,23I,920 warrants, exercisable at an exercise price of $0.9 up to 24 months.from the Effective Date of this Amendment, and subject to the sole discretion of Lender or of Shayna respectively."

3. Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in the Convertible Loan Agreements or in this Amendment, the Lender shall not be entitled to convert and/or receive any ordinary shares and/or exercise any warrants, to the extent (but only to the extent), after giving effect to the issuance of ordinary shares of the Company, the Lender or any of its affiliates, or Shayna or any of its affiliates (for each of the Lender and Shayna - either individually or collectively) would beneficially own in excess of 4.99% of the number of ordinary shares of the Company then outstanding, as calculated in accordance with Section 13(d) of the 1934 Act (the "Maximum Percentage"). To the extent the above limitation applies, the determination of whether this any shares shall be issued and/or converted and/or any warrants shall be exercised pursuant to the Convertible Loan Agreements (vis-a-vis any convertible, exercisable or exchangeable securities owned by the Lender or any of its affiliates or by Shayna or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by the Lender or by Shayna) shall, subject to such Maximum Percentage limitation, be detennined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to convert or exchange any note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be detern1ined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation, and, in addition, with the intention that Section 328 to the Israeli Companies Law, 1999, shall not apply to any of the transactions contemplated under the Convertible Loan Agreements. The limitations contained in this paragraph shall apply to a successor Lender or of Shayna. The holders of ordinary shares of the Company shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its ordinary shares. For any reason at any time, upon the written or oral request of the Lender or of Shayna, the Company shall within two (2) Business Days confirm orally and in writing to the Lender or to Shayna the number of ordinary shares of the Company then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into ordinary shares of the Company, including, without limitation, pursuant to the Convertible Loan Agreements or securities issued pursuant to the Convertible Loan Agreements.

4. Conditions to Effectiveness. This Amendment shall only be effective as of the Effective Date, if and when it has been duly approved by the Board of Directors of the Company, at its sole discretion.

5. Continued Validity of the Convertible Loan Agreements. Except as specifically amended hereby, the Convertible Loan Agreements shall remain in full force and effect and all of the rights and obligations of each of the Lender, Shayna and the Company under the Convertible Loan Agreements are affirmed. In the event of a conflict between this Amendment and the Convertible Loan Agreements, this Amendment shall control. All references in any of the the Convertible Loan Agreements shall hereafter refer to the Convertible Loan Agreements as amended hereby.

6. Governing Law; Dispute Resolution. This Amendment shall be governed by and construed in accordance with the laws of the State oflsrael, without reference to principles of conflict of laws or choice of laws.

7. Counterparts. This Amendment may be executed in two or more counterparts (including facsimile or "pdf" counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Each party hereto hereby agrees that this Amendment and any other document to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Amendment or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[Signatures page follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz
Name: Noah Hershcoviz
Title: CEO

By: /s/ Osher Partok Rheinisch
Name: Osher Partok Rheinisch
Title: CLO

Lender:

Akina Holding Limited

By: /s/ Jolanta Narmontaite
Name: Jolanta Narmontaite
Title: Director

SHAYNA:

Shayna LP

By: /s/ Avraham Levin
Name: Avraham Levin
Title: CEO

Exhibit 4.41

SECOND AMENDMENT TO CONVERTIBLE LOAN AGREEMENTS

This Second Amendment (this **"Amendment")** to those certain Convertible Loan Agreements, dated as of February 23, 2023 (the **"First Convertible Loan Agreement"),** June 11, 2023 (the **"Second Convertible Loan Agreement")** and July 7, 2023 (the **"Third Convertible Loan Agreement",** and together with the First Convertible Loan Agreement and the Second Convertible Loan Agreement, as amended on March 31, 2024, the **"Convertible Loan Agreements"),** by and among HUB Cyber Security Ltd., a company organized under the laws of the State ofisrael (the **"Company"),** the original lender, Shayna LP, a hedge fund registered in the Cayman Islands **("Shayna"),** and Alcina Holding Limited (the **"Lender")** to which all of Shayna's rights under the Convertible Loan Agreements, with the exception of consulting and brokerage fee under section 5 of the Third Loan Agreement, were sold to, is made and as of April 18, 2024 (the **"Effective Date")** by and among the Company, Shayna and the Lender (collectively the **"Parties").** Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement;

WHEREAS the Parties desire to amend the Convertible Loan Agreements, as set forth herein in a written instrument signed by the Company, Shayna and the Lender;

NOW THEREFORE, in consideration of the premises and covenants set forth herein and in the Convertible Loan Agreements and other good and valuable consideration, the receipt and sufficiency of which hereby acknowledged, the Parties hereto hereby agree to amend the Convertible Loan Agreements as follows:

1. Shayna's rights in case of default in pavments by the Lender: Shayna and the Lender agree that in the event of default by the Lender on the payments schedule to Shayna (including all the permitted extensions), as detailed in chapters 2.3 and 2.4 of the Contractual Rights of Convertible Loans and Warrants Sale Agreement between Shyana and the Lender of March 3, 2024, then Shayna shall be entitled, at its sole discretion, to assume all of Shayna's rights to convert any outstanding amount of the Loan to Shares under the Convertible Loan Agreements. The Company will therefore, after receiving a written notice regarding such default from Shayna and in the absence of a contradictory judicial injunction within 7 business days of such written notice, allocate to Shayna, upon receiving a written conversion notice from Shyana, any Shares that have not been converted up to that point which the Lender was originally entitled to convert, and the Lender forever releases the Company from any liability with regards to such allocation of Shares. It is further agreed that such notice will not be made before September 1st, 2024, and the lander can cure its default by way ofretuming in full the shares already converted up to that point. For the avoidance of doubt, the Lender's right to exercise Warrants under the Convertible Loan Agreements shall not be affected.

2. Continued Validit, of the Convertible Loan Agreements. Except as specifically amended hereby, the Convertible Loan Agreements shall remain in full force and effect and all of the rights and obligations of each of the Lender, Shayna and the Company under the Convertible Loan Agreements are affirmed. In the event of a conflict between this Amendment and the Convertible Loan Agreements, the Amendment shall control. All references in any of the Convertible Loan Agreements shall hereafter refer to the Convertible Loan Agreements as amended hereby.

3. Governing Law: Dispute Resolution. This Amendment shall be governed by and construed in accordance with the laws of the State of Israel, without reference to principles of conflict oflaws or choice of laws. The courts of Tel Aviv-Jaffa shall have exclusive jurisdiction over any dispute or matter in connection with this Amendment.

4. Counteroarts. This Amendment may be executed in two or more counterparts (including facsimile or "pdf" counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Each party hereto hereby agrees that this Amendment and any other document to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Amendment or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[Signatures page follows}

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz
Name: Noah Hershcoviz
Title: CEO

By: /s/ Osher Partok Rheinisch
Name: Osher Partok Rheinisch
Title: CLO

LENDER:

Akina Holding Limited

By: /s/ ABBEYDEAN (CYPRUS) LTD
Name: ABBEYDEAN (CYPRUS) LIMITED
Title: Director

SHAYNA:

Shayna LP

By: /s/ Avraham Levin
Name: Avraham Levin
Title: CEO

Exhibit 4.42

THIRD AMENDMENT TO CONVERTIBLE LOAN AGREEMENTS

This Third Amendment (this **"Amendment")** to those certain Convertible Loan Agreements, dated as of February 23, 2023 (the **"First Convertible Loan Agreement"),** June 11, 2023 (the **"Second Convertible Loan Agreement")** and July 7, 2023 (the **"Third Convertible Loan Agreement",** and together with the First Convertible Loan Agreement, the Second Convertible Loan Agreement, the first amendment of March 31, 2024 (the **"First Amendment")** and the second amendment of April 18, 2024 (the **"Second Amendment"),** the **"Convertible Loan Agreements"),** by and among HUB Cyber Security Ltd., a company organized under the laws of the State of lsrael (the **"Company"),** the original lender, Shayna LP, a hedge fund registered in the Cayman Islands **("Shayna"),** and Akina Holding Limited (the **"Lender")** to which all of Shayna's rights under the Convertible Loan Agreements, with the exception of consulting and brokerage fee under section 5 of the Third Loan Agreement, were sold to, is made and as of May 09, 2024 (the **"Effective Date")** by and among the Company, Shayna and the Lender (collectively the **"Parties").** Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement;

WHEREAS the Parties desire to amend the Convertible Loan Agreements, as set forth herein in a written instrument signed by the Company, Shayna and the Lender;

WHEREAS, For the avoidance of doubt, the Parties confirm that from the amounts detailed in section I of the First Amendment, 600,000 shares were already converted by Pey prior to the date of the First Amendment. Said Shares shall be deducted from the amount stipulated therein for the Lender.

NOW THEREFORE, in consideration of the premises and covenants set forth herein and in the Convertible Loan Agreements and other good and valuable consideration, the receipt and sufficiency of which hereby acknowledged, the Parties hereto hereby agree to amend the Convertible Loan Agreements as follows:

1. Amendment and Restatement of Section 5.4 in the Third Convertible Loan Agreement. Section 5.4 in the Third Convertible Loan Agreement is hereby amended and restated in its entirety as follows:

"Notwithstanding what is stated in section 5.4 of the Third Convertible Loan Agreement and in its place, no cash payment will be paid to Shayna and/or the Lender as Consulting Fee, and Shayna and the Lender explicitly waive any right to any such payments. Instead of the Consulting Fee, one million fifty five thousand five hundred and fifty five (1,278,666) ordinary shares (calculated as 1,150,800 USD of the amount under a conversion rate of 0.9$) and 1,278,666 Warrants (Exercise Price $0.80; for up to 6 months from the Effective Date) *of the Company will be allocated in favor of Shayna."*

2. **Sale of Shayna's rights**. The Company received notice that according to an agreement between Shayna and the Lender, all of Shayna's rights under sections 1 and 2 of the First Amendment , i.e. the right to convert its part of the Loans for 1,231,920 shares and the right to exercise 1,231,920 warrants for an exercise price of 0.9$ for up to 24 months from the effective date of the First Amendment, and 's rights to exercise 1,278,666 warrants under Section 1 above (in the terms stipulated therein) were sold to the Lender. Accordingly, such amounts shall be added to amounts detailed for the Lender under the First Amendment, i.e, the Lender holds the right to convert the Loans for the gross amount of 5,129,375 shares and to exercise the gross amount of 6,408,041 warrants, with all prior conversions and prior exercises performed prior to the Effective Date being reduced from such gross amounts. It is specifically agreed that section I of the Second Amendment will apply to this Amendment and will cover all the 5,129,385 shares less 600,000 shares already converted by Pey. the Company further confirms that it received notice that it was further agreed between Shayna and the Lender that: (i) the Lender can cure any default towards Shayna by way of returning in full the 3,297,455 shares; and (ii) for the avoidance of doubt, the Lender's right to exercise any or all the Warrants under the Convertible Loan Agreements shall not be affected as a result of a default towards Shayna and will not need to be returned in case of such default.

3. Continued Validity of the Convertible Loan Agreements. Except as specifically amended hereby, the Convertible Loan Agreements shall remain in full force and effect and all of the rights and obligations of each of the Lender, Shayna and the Company under the Convertible Loan Agreements are affirmed. In the event of a conflict between this Amendment and the Convertible Loan Agreements, the Amendment shall control. All references in any of the Convertible Loan Agreements shall hereafter refer to the Convertible Loan Agreements as amended hereby.

4. Governing Law; Dispute Resolution. This Amendment shall be governed by and construed in accordance with the laws of the State of lsrael, without reference to principles of conflict oflaws or choice of laws. The courts of Tel Aviv-Jaffa shall have exclusive jurisdiction over any dispute or matter in connection with this Amendment.

5. Counterparts. This Amendment may be executed in two or more counterparts (including facsimile or "pdf" counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Each party hereto hereby agrees that this Amendment and any other document to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Amendment or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[Signatures page follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershkoviz
Name: Noah Hershkoviz
Title: CEO

By: /s/ Osher Partok Rheinisch
Name: Osher Partok Rheinisch
Title: CLO

SHAYNA:

Shayna LP

By:
Name:
Title:

LENDER:

Akina Holding Limited

By: /s/ ABBEYDEAN (CYPRUS) LTD
Name: ABBEYDEAN (CYPRUS) LIMITED
Title: Director

Exhibit 4.43

Certain confidential information contained in this document, marked by brackets and asterisk, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because it (i) is not material and (ii) would be competitively harmful if publicly disclosed

Debt Settlement Agreement

Signed in Tel Aviv on March 24, 2024

Between:
*****
*****
(Hereinafter: "*****")

And:

1. Comsec Ltd. Registration No. 511187304 (Hereinafter: "**Comsec**")

2. Comsec Distribution Ltd. Registration No. 515346435 (Hereinafter: "**Comsec** Distribution")

3. Hub Cybr Security Ltd. Registration No. 511029373 (Hereinafter: "**Hub**")

(All together: "**The Debtor**")

All located at 30 Hamisgar Street, Tel Aviv, 6721117

Whereas:

***** and Comsec, and Comsec Distribution had a business relationship where Comsec acted as a distributor of *****'s products, resulting in a debt owed by Comsec Distribution to *****. Hub provided a guarantee for the full amount of this debt to secure Comsec Distribution's obligations to *****.

And Whereas:

***** filed a legal proceeding under case number ******* in the Tel Aviv District Court (hereinafter: "the proceeding") against Comsec, Comsec Distribution, and Hub, during which assets of Comsec, Comsec Distribution, and Hub were seized.

And Whereas:

The parties wish to resolve their disputes as detailed in this agreement.

Therefore, it is declared, stipulated, and agreed between the parties as follows:

1. Interpretation

1.1. The preamble and annexes of this agreement form an integral part of it.

1.2. Section titles are intended for reference purposes only and will not be used to interpret this agreement.

2. The Settlement

2.1. The parties have agreed to settle the debt to ***** for a total and final amount of 13,655,867 NIS (in words: Thirteen million six hundred fifty-five thousand eight hundred sixty-seven New Israeli Shekels) (hereinafter: "**The Debt Amount**").

2.2. It is clarified that the Debt Amount is final and absolute and includes all components and payments, including attorney fees, court costs, etc.

2.3. The Debt Amount will be paid as follows:

2.3.1. An amount of 5,000,000 NIS will be paid no later than April 7, 2024.

2.3.2. An additional amount of 4,327,933.5 NIS will be paid no later than May 15, 2024.

2.3.3. The remaining amount of 4,327,933.5 NIS will be paid no later than July 15, 2024.

2.4. It is agreed that upon the signing of this agreement, the Debtor will hand over to ***** postdated checks from Hub as mentioned in section 2.3 above. ***** will be entitled to deposit each check on its due date.

2.5. It is agreed that this settlement will be submitted by the parties to the court for approval as a judgment in the proceeding, but not before March 28, 2024. Until this date (March 28, 2024), ***** agrees to extend deadlines for Comsec, Comsec Distribution, and Hub to submit their defense.

2.6. It is agreed that upon full payment of the amount of 5,000,000 NIS as specified in section 2.3.1 above, ***** will submit a request in the proceeding to lift all the seizures imposed by it on all the assets of Comsec, Comsec Distribution, and Hub of any kind.

2.7. Additionally, except for lifting the seizures as mentioned, until the remaining Debt Amount is received, and provided that the Debtor has met the payment schedule in full and on time, and the checks have been fully honored by the relevant bank, ***** will not take any actions within the proceeding or otherwise against any of the parties. If one or more payments are not fully made on time, the remaining debt balance will become immediately due and will bear a cumulative monthly late interest rate of 2% per month from the date of signing this agreement until the actual payment date. For the avoidance of doubt, ***** will act to collect the Debt Amount directly through the Execution Office.

3. Waiver and Final Settlement

This agreement exhausts all claims, causes of action, and remedies arising from and/or related directly and/or indirectly to the proceeding. Therefore, full and timely payment of the Debt Amount will constitute a complete and absolute settlement towards *****, and none of the parties and/or anyone on their behalf will have any claim and/or demand and/or lawsuit of any kind in relation to all the claims and/or causes of action raised in the proceeding, directly and/or indirectly, thereby establishing a res judicata preventing and estopping any claims regarding all the causes of action asserted in the proceeding, directly and/or indirectly.

4. Hub's Guarantee

As mentioned, Hub provided a guarantee for the full Debt Amount to secure Comsec Distribution's debt to *****.

5. Miscellaneous

5.1. This agreement encompasses all the agreements between the parties, and any amendment or modification will only be made in a written document signed by all parties.

5.2. Drafts of this agreement will not be admissible as evidence before judicial or quasi- judicial bodies and will not be used to interpret this settlement agreement or any of its clauses.

5.3. The parties will act jointly and in good faith towards each other to implement it.

In Witness Whereof, the parties have signed:

Signatures for the Debt Settlement:
*****

Hub Cyber Security Ltd.
Comsec Distribution Ltd.
Comsec Ltd.

Exhibit 8.1

LIST OF SUBSIDIARIES

The following table sets forth our subsidiaries, all of which are wholly owned, directly or indirectly, with the exception of ALD Software Ltd, of which we own 98.63%.

Name of Subsidiary	Jurisdiction of Organization
HUB Cyber Security TLV Ltd.	Israel
ALD Manpower Solutions Ltd.	Israel
ALD Software Ltd	Israel
ALD College Ltd	Israel
Qpoint Technologies Ltd	Israel
Qpoint Solutions Ltd	Israel
Aginix Engineering & Project Management Ltd	Israel
Sensecom Consulting & Project Management Ltd	Israel
Integral Tele-management Services Ltd.	Israel
HUB Cyber Security, Inc.	California, United States
Comsec Ltd.	Israel
Comsec Distribution Ltd.	Israel
Comsec International Information Security B.V	The Netherlands
Comsec Consulting Limited UK	United Kingdom
Hub Cyber Security GmbH	Germany
Mount Rainier Acquisition Corp.	Delaware, United States
DQS - IL (Management Systems Solutions) Ltd	Israel
Israeli Institute for Certification and Standardization Ltd:	Israel

Exhibit 12.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) or 15d-14(a)

I, Noah Hershcoviz, certify that:

1. I have reviewed this annual report on Form 20–F of HUB Cyber Security Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 16, 2024

/s/ Noah Hershcoviz

Noah Hershcoviz
Chief Executive Officer

Exhibit 12.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) or 15d-14(a)

I, Lior Davidsohn, certify that:

1. I have reviewed this annual report on Form 20–F of HUB Cyber Security Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 16, 2024

/s/ Lior Davidsohn

Lior Davidsohn
Interim Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350

In connection with the filing of the Annual Report on Form 20-F for the period ended December 31, 2023 (the "Report") by HUB Cyber Security Ltd. (the "Company"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2024

/s/ Noah Hershcoviz

Noah Hershcoviz
Chief Executive Officer

Exhibit 13.2

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350

In connection with the filing of the Annual Report on Form 20-F for the period ended December 31, 2023 (the "Report") by HUB Cyber Security Ltd. (the "Company"), the undersigned, as the Interim Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2024

/s/ Lior Davidsohn
Lior Davidsohn
Interim Chief Financial Officer