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, 2025

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)

30 Hacharoshet Street
Or Yehuda, Israel
(Address of principal executive offices)

Tuvia Grossman
Chief Legal Officer
+972-3-918-6066

HUB Cyber Security Ltd.
30 Hacharoshet Street
Or Yehuda, Israel
(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, 2025, the registrant had 36,241,405 ordinary shares outstanding, no par value. As of July 7, 2026, the registrant had 32,836,053 ordinary shares outstanding, no par value (adjusted for the 1-for-15 reverse split effected on January 15, 2026, the 1-for-50 reverse split effected on April 20, 2026 and the 1-for-20 reverse split effected on June 5, 2026).

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 "RNER 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 ("RNER Merger Sub"). Pursuant to the RNER Merger Agreement, RNER 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 RNER 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 splits effected by us on March 28, 2025, the 1-for-15 reverse share split effected by us on January 15, 2026, the 1-for-50 reverse share split effected by us on April 20, 2026 and the 1-for-20 reverse share split effected by us on June 5, 2026.

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 2024 and 2024 are references to the fiscal year ended December 31, 2024 and references to fiscal 2025 and 2025 are references to the fiscal year ended December 31, 2025.

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 no 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 liquidity issues and our defaults under outstanding debt may force us to seek bankruptcy or insolvency court protection, which could materially adversely affect our business and operations.
- 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 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. 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.
- Conversions of our outstanding convertible debt at substantially discounted prices have caused, and may continue to cause, severe dilution to our existing shareholders and downward pressure on the market price of our ordinary shares.
- We have not been able to consistently remain in compliance with the continued listing standards of the Nasdaq Stock Market LLC ("Nasdaq"). The persistence of such failure could result in a delisting of our securities, which could significantly impair the liquidity and market price of our ordinary shares.
- Our previous reverse share splits, and any future reverse share splits, may decrease the liquidity of our ordinary shares and have a dilutive effect on the ownership of our existing shareholders, and we cannot assure you that any future reverse share split will result in a sustained increase in the market price of our ordinary shares.
- Our ordinary shares could be subject to the "penny stock" rules in the future, which would impose additional sales practice requirements on broker-dealers and could severely limit the market price and liquidity 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 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.

- 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 have been and may continue to be subject to certain regulatory scrutiny. In January 2026, the Israel Securities Authority concluded its investigation and transferred its investigation file to the Tel Aviv District Attorney's Office for resolution. The outcome of any proceedings could have a material adverse effect on our business, financial condition and results of operations.

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

- Actions that we have taken or may take 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 makes it difficult to evaluate our business and future prospects and increases the risk of your investment.

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

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

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

- 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.

- Certain members of our management team have limited experience managing a U.S. listed publicly traded company.

- Uncertainties related to our recent management changes may adversely affect our business, strategy and financial results.
- 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.
- Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our internal systems or customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.
- We incorporate artificial intelligence (AI) and machine learning (ML) into some of our services. This technology is new and developing and may present both compliance and reputational risks.
- 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.
- We may be required to indemnify our directors and officers in certain circumstances.
- A market for our securities may not be sustained, which would adversely affect the liquidity and price of our securities.
- We are subject to a securities class action 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. Specifically, we are subject to a pending lawsuit in the Supreme Court of the State of New York relating to our 2023 de-SPAC merger seeking damages of not less than $5.08 million, plus interest, attorneys' fees and costs, and the plaintiff has filed a motion for entry of a default judgment, the entry of which could have a material adverse effect on our business, financial condition, results of operations and liquidity
- 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.

- The market price and trading volume of our ordinary shares and warrants on Nasdaq has been extremely volatile and could decline significantly.
- 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.
- Conditions in Israel, including the war between Israel and Hamas, Hezbollah and Iran 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.
- We may not realize any value from the Evofem Notes and Purchase Rights, and the securities we issued as consideration for the Evofem Notes and Purchase Rights may prove to have been issued for assets that are ultimately worthless.
- The Evofem Notes are unsecured, deeply subordinated junior obligations, and any cash recovery is remote.
- Our ability to convert the Evofem Notes and exercise the Purchase Rights is subject to significant limitations although conversion or exercise (and subsequent sale of the resulting shares of Evofem common stock) is effectively our principal potential path to receiving value.

- Even if we obtain shares of Evofem common stock, we may be unable to sell them at attractive prices or at all.
- We issued a very large number of ordinary shares and Pre-Funded Warrants as consideration in the Evofem Transaction, resulting in substantial dilution to our shareholders, potentially in exchange for assets that may yield no return.
- The pre-funded warrants issued in the Evofem Transaction cannot be exercised in full unless our shareholders approve the exercise and an increase in our authorized share capital, and such approval may not be obtained.
- Future sales, or the perception of future sales, of the Consideration Shares could depress the market price of our ordinary shares.
- We do not control Evofem, we have limited rights and limited information as a noteholder, and Evofem's own disclosure and control environment present risks.
- If our investment securities become a significant portion of our total assets, we could be deemed an investment company under the Investment Company Act of 1940, which could materially restrict our business.

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 v of this Annual Report. Such risks include, but are not limited to:

Summary Risk Factors

Risks Related to Our Ability to Continue as a Going Concern, Our Internal Controls, Nasdaq Compliance, Financing and Related Matters

- Our liquidity issues and our defaults under outstanding debt may force us to seek bankruptcy or insolvency court protection, which could materially adversely affect our business and operations.

- We 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.

- All of our debt obligations have priority over our ordinary shares with respect to payment in the event of liquidation, dissolution or winding up, and there can be no assurance that any value would remain for the holders of our ordinary shares in such an event.

- 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.

- Conversions of our outstanding convertible debt at substantially discounted prices have caused, and may continue to cause, severe dilution to our existing shareholders and downward pressure on the market price of our ordinary shares.

- We have not been able to consistently remain in compliance with the continued listing standards of the Nasdaq. The persistence of such failure could result in a delisting of our securities, which could significantly impair the liquidity and market price of our ordinary shares.

- Our previous reverse share splits, and any future reverse share splits, may decrease the liquidity of our ordinary shares and have a dilutive effect on the ownership of our existing shareholders, and we cannot assure you that any future reverse share split will result in a sustained increase in the market price of our ordinary shares.

- Our ordinary shares could be subject to the "penny stock" rules in the future, which would impose additional sales practice requirements on broker-dealers and could severely limit the market price and liquidity 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 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.

- 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. In January 2026, the Israel Securities Authority concluded its related investigation and transferred the investigation file to the Tel Aviv District Attorney's Office (Taxation and Economic Crimes) for a resolution, the status of which remains uncertain. 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.

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.
- Actions that we have taken or may take 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 makes it difficult to evaluate our business and prospects and increases the risk of your investment.
- Competition in the market for technology solutions, in general, is intense. If we are unable to compete effectively, our business, financial condition and results of operations could be harmed.
- Our ability to introduce new products, features, integrations and enhancements is dependent on adequate research and development resources.
- If we are unable to acquire large enterprise customers or sell additional products and services to our existing customers, our future revenues and operating results will be harmed.
- 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 have not fully succeeded to 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.
- The market for our solutions may not continue to grow.
- Our 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.
- Certain members of our management team have limited experience managing a U.S. listed publicly traded company.
- 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.

- Uncertainties related to our recent management changes may adversely affect our business, strategy and financial results.
- 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.
- Prolonged economic uncertainties or downturns in certain regions or industries could materially adversely affect our business.
- Our sales and operations in international markets expose us to operational, financial and regulatory risks.
- Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.
- 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.
- Fluctuations in currency exchange rates could harm our operating results and financial condition.

Risks Related to Our Systems and Technology

- Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our internal systems or customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.
- We incorporate artificial intelligence (AI) and machine learning (ML) into some of our services. This technology is new and developing and may present both compliance and reputational risks.
- Undetected defects and errors may increase our costs and impair market acceptance of our products and solutions.
- Interruption or failure of our information technology and communications systems could impact our ability to effectively provide our products and services.
- We may incorporate third-party technologies in our products, which would make us dependent on the providers of these technologies and exposes us to potential intellectual property claims.
- 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.

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 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.
- 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.
- 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.
- We rely on unpatented proprietary technology, trade secrets, designs, experiences, workflows, data, processes, software, and know-how.

Risks Related to Our Legal and Regulatory Environment

- We are subject to a securities class action 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. Specifically, we are subject to a pending lawsuit in the Supreme Court of the State of New York relating to our 2023 de-SPAC merger seeking damages of not less than $5.08 million, plus interest, attorneys' fees and costs, and the plaintiff has filed a motion for entry of a default judgment, the entry of which could have a material adverse effect on our business, financial condition, results of operations and liquidity.
- 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.
- Failure to comply with applicable economic sanctions laws and regulations could harm our business.
- 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.

- We are subject to complex, evolving regulatory requirements that may be difficult and expensive to comply with and that could negatively impact our business.
- 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.
- If we fail to comply with environmental requirements, our business, financial condition, operating results and reputation could be adversely affected.
- Scrutiny of sustainability and environmental, social, and governance, or ESG, initiatives could increase our costs or otherwise adversely impact our business.
- 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.
- We may be required to indemnify our directors and officers in certain circumstances.
- Our current and future cash balances and any investment portfolio we may have may be adversely affected by market conditions and interest rates.

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

- We continue to incur significant costs as a result of operating as a U.S. listed public company, and our management needs to devote substantial time to compliance initiatives.
- A market for our securities may not be sustained, which would adversely affect the liquidity and price of our securities.
- 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.

Risks Related to Ownership of Our Ordinary Shares and Warrants

- The market price and trading volume of our ordinary shares and warrants on Nasdaq has been extremely volatile and could decline significantly.
- 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 share price.

- 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.
- Our actual financial results may differ materially from any guidance we may publish from time to time.
- 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.
- 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 are a foreign private issuer and, as a result, we are not subject to U.S. proxy rules and are 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 may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.
- 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.
- We are subject to ongoing reporting obligations and potential penalties under the Israeli Securities Law.
- 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.
- 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.
- Issuances of our ordinary shares have, and in the future may continue to significantly dilute the holdings of existing shareholders, and 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.
- 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.
- 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.
- 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.

Risks Related to Our Incorporation and Operations in Israel

- Conditions in Israel could materially and adversely affect our business.
- 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.
- Our Articles and Israeli law could prevent a takeover that shareholders consider favorable and could also reduce the market price of our ordinary shares.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

Risk Factors Relating to the Evofem Transaction

- We may not realize any value from the Evofem Notes and Purchase Rights, and the securities we issued as consideration for the Evofem Notes and Purchase Rights may prove to have been issued for assets that are ultimately worthless.

- The Evofem Notes are unsecured, deeply subordinated junior obligations, and any cash recovery is remote.
- Our ability to convert the Evofem Notes and exercise the Purchase Rights is subject to significant limitations although conversion or exercise (and subsequent sale of the resulting shares of Evofem common stock) is effectively our principal potential path to receiving value.
- Even if we obtain shares of Evofem common stock, we may be unable to sell them at attractive prices or at all.
- We issued a very large number of ordinary shares and Pre-Funded Warrants as consideration in the Evofem Transaction, resulting in substantial dilution to our shareholders, potentially in exchange for assets that may yield no return.
- The pre-funded warrants issued in the Evofem Transaction cannot be exercised in full unless our shareholders approve the exercise and an increase in our authorized share capital, and such approval may not be obtained.
- Future sales, or the perception of future sales, of the Consideration Shares could depress the market price of our ordinary shares.
- We do not control Evofem, we have limited rights and limited information as a noteholder, and Evofem's own disclosure and control environment present risks.
- If our investment securities become a significant portion of our total assets, we could be deemed an investment company under the Investment Company Act of 1940, which could materially restrict our business.

Risks Related to Our Ability to Continue as a Going Concern, Our Internal Controls, Nasdaq Compliance, Financing and Related Matters

Our liquidity issues and our defaults under outstanding debt may force us to seek bankruptcy or insolvency court protection, which could materially adversely affect our business and operations.

Due to the uncertainty about our ability to obtain sufficient cash to service current and future liabilities, there is a risk that, among other things: (i) third parties' confidence in our ability to develop, market and deliver our solutions could be adversely impacted, which could impair our ability to execute on our business strategy; (ii) it may become more difficult to retain, attract or replace key employees; (iii) employees could be distracted from performance of their duties or more easily attracted to other career opportunities; and (iv) our suppliers, vendors and service providers could renegotiate the terms of our arrangements, terminate their relationship with us or require financial assurances from us. As of the date of this Annual Report, two motions to declare us and our subsidiary, Comsec Ltd., insolvent have been submitted to court, and we are currently in breach of a court-approved settlement with the unsecured creditors of Comsec. While we are in the process of seeking to remove these motions and to resolve the breach, there can be no assurance that we will be successful in doing so.

Seeking bankruptcy or insolvency court protection could have a material adverse effect on our business, financial condition, results of operations and liquidity. For as long as a bankruptcy or insolvency proceeding continued, our senior management would be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing on our business operations. Bankruptcy or insolvency court protection also could make it more difficult to retain management and other key personnel necessary to the success and growth of our business. In addition, during the period of time we are involved in such a proceeding, our customers and suppliers might lose confidence in our ability to reorganize our business successfully and could seek to establish alternative commercial relationships. We are currently evaluating strategic alternatives to address our liquidity issues, but we cannot assure you that any of our strategies will yield sufficient funds to meet our working capital or other liquidity needs, and any such alternative measures may be unsuccessful or may not permit us to meet scheduled obligations, which could cause us to default on our obligations. As a result, we may seek bankruptcy or insolvency court protection to continue our efforts to restructure our business and capital structure and may have to liquidate our assets and may receive less than the value at which those assets are carried on our consolidated financial statements.

We 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 convertible loans totaling approximately $43 million and under certain of our debt obligations totaling approximately $7 million. Upon an event of default under our outstanding debt, the holders of such debt may exercise all rights and remedies available under the terms of the notes or applicable laws.

We are currently in discussions with certain holders of the outstanding debt regarding possible solutions for the payment of the overdue amortization payments, including the possible extension of the outstanding obligations and, in some cases, extinguishing the entire loan. 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:

- impair our liquidity;
- make it more difficult for us to satisfy our other obligations;
- require us to dedicate cash flow to payments on our debt and financial obligations, which reduces the availability of our cash flow to fund working capital, capital expenditures and other corporate requirements;
- imposes restrictions on our ability to incur other indebtedness, grant liens on our assets, and impedes us from obtaining additional financing in the future for working capital, capital expenditures, acquisitions and general corporate purposes;

- adversely affects our ability to enter into strategic transactions, public or private equity offerings, and similar agreements, or requires us to obtain the consent to enter into such transactions;
- makes us more vulnerable in the event of a downturn in our business prospects and limits our flexibility to plan for, or react to, changes in our industry and markets; and
- places us at a competitive disadvantage when compared to our competitors.

In addition, since January 1, 2026, outstanding debt was converted into approximately 4,591,633 of our ordinary shares (post-reverse splits). The conversion of such substantial amounts of the outstanding debt into ordinary shares has caused significant dilution to the ownership interests of our existing shareholders and may continue to do so in the future. Sales in the public market of our ordinary shares issuable upon such conversion has adversely affected prevailing market prices of our ordinary shares and required us to effect multiple reverse splits in order to maintain the Nasdaq minimum bid price requirement. 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.

All of our debt obligations have priority over our ordinary shares with respect to payment in the event of liquidation, dissolution or winding up, and there can be no assurance that any value would remain for the holders of our ordinary shares in such an event.

If we were to liquidate, dissolve or wind up, our ordinary shares would rank below all debt claims against us. As a result, holders of our ordinary shares will not be entitled to receive any payment or other distribution of assets upon our liquidation, dissolution or winding up until after all of our obligations to our debt holders have been satisfied. Our outstanding convertible debt is secured by, among other things, charges on our assets, and if we are unable to repay outstanding borrowings when due, the holders of such debt may have the right to proceed against the collateral securing such indebtedness. As of the date of this Annual Report, two motions have been submitted to court to declare us and our subsidiary, Comsec Ltd., insolvent, and we are in default under certain of our outstanding debt. If we are forced to seek bankruptcy or insolvency court protection, or if any of our significant obligations are accelerated, holders of our ordinary shares could lose all or substantially all of their investment in us.

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 each year since our inception, including net losses (including discontinued operations) of approximately $119.8 million, $39.0 million and $86.6 million in the years ended December 31, 2025, 2024 and 2023, 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.

We continue to generate 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 government duties, which has led to legal action against us and attachments being placed on certain of our bank accounts. During certain periods in 2024 and 2025, we were unable to make required deposits in employee pension and severance funds, which were later paid and settled and payments due for certain periods in 2025 and 2026 were paid in June 2026. Furthermore, we have been unable to fully pay required withholding taxes on employee compensation payments and government fees. Certain of our subsidiaries also did not make timely tax filings with the ITA for several years. We have reached a settlement agreement with the unsecured creditors of Comsec (although we are currently in breach of the settlement arrangement) and are in the process of removing two motions that were submitted to court to declare the Company and Comsec as insolvent. 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. We have recently transferred amounts to cover outstanding liabilities and are working to make payments for outstanding liabilities to governmental institutions such as social security and the Israeli National Insurance Institute. For more information about these motions, see "*Item 8.A – Consolidated Statements and Other Financial Information*" and Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

Primarily because of our losses incurred to date and our expected continued future losses, 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. 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 2026 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 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*" below for additional information.

If we are unable to obtain funding, refinance or restructure our existing obligations, or otherwise improve our liquidity, we may not be able to service our liabilities when they become due. As of the date of this Annual Report, two motions have been submitted to court to declare us and our subsidiary, Comsec Ltd., insolvent, and we are currently in breach of a court-approved settlement with the unsecured creditors of Comsec. While we are pursuing the removal of these motions and a resolution of the breach, there can be no assurance of a successful outcome. If any of our significant obligations are accelerated, we may not be able to repay the obligations that become immediately due and would face severe liquidity constraints. We are currently evaluating strategic alternatives to address our liquidity issues, but we cannot assure you that any of our strategies will yield sufficient funds to meet our working capital or other liquidity needs, and any such alternative measures may be unsuccessful or may not permit us to meet scheduled obligations, which could cause us to default on our obligations. As a result, we may be forced to seek bankruptcy or insolvency court protection to continue our efforts to restructure our business and capital structure and may have to liquidate our assets and may receive less than the value at which those assets are carried on our consolidated financial statements.

Conversions of our outstanding convertible debt at substantially discounted prices have caused, and may continue to cause, severe dilution to our existing shareholders and downward pressure on the market price of our ordinary shares.

The outstanding principal and accrued but unpaid interest under our convertible debt may be converted by the holders into ordinary shares at conversion prices that are subject to substantial discounts to the prevailing market price of our ordinary shares. As a result, conversions have occurred, and may continue to occur, at conversion prices that bear little or no relationship to the historical or expected fundamental value of our ordinary shares. In the last 12 months, outstanding debt was converted into a substantial number of our ordinary shares. The conversion of such substantial amounts of debt into ordinary shares has caused significant dilution to the ownership interests of our existing shareholders and has caused, and we expect will continue to cause, significant downward pressure on the market price of our ordinary shares. For example, between April 20, 2026, the effective date of our 1-for-50 reverse share split, and May 20, 2026, our outstanding ordinary shares increased from 1,282,052 to 44,052,835, more than 3,000% in only ten days, as a result of conversions of outstanding convertible debt at substantially discounted prices.

Separately, in order to regain or maintain compliance with the Nasdaq Minimum Bid Price Requirement, we have effected four reverse share splits between March 2025 and June 2026: a 1-for-10 reverse share split on March 28, 2025, a 1-for-15 reverse share split on January 15, 2026, a 1-for-50 reverse share split on April 20, 2026 and a 1-for-20 reverse share split on June 5, 2026. While Nasdaq rules do not impose a specific limit on the number of times a listed company may effect a reverse share split to maintain or regain compliance with the Minimum Bid Price Requirement, Nasdaq has stated that a series of reverse share splits may undermine investor confidence in securities listed on Nasdaq. Accordingly, Nasdaq may determine that it is not in the public interest to maintain our listing, even if we regain compliance with the Minimum Bid Price Requirement as a result of a further reverse share split.

The existence of our outstanding convertible debt may also encourage short selling by market participants because the conversion of such debt at substantially discounted prices would likely depress the price of our ordinary shares. If there are significant short sales of our ordinary shares, the share price of our ordinary shares may decline more than it would in an environment without such activity, which may, in turn, cause other holders of our ordinary shares to sell their shares. Sales of a substantial number of ordinary shares in the public market, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity securities, all of which could have a material adverse effect on our liquidity and financial condition.

We have not been able to consistently remain in compliance with the continued listing standards of the Nasdaq. The persistence of such failure could result in a delisting of our securities, which could significantly impair the liquidity and market price of our ordinary shares.

We have not been able to consistently comply with Nasdaq's continued listing standards, including requirements related to timely financial reporting, minimum bid price, and market value. While we have taken aggressive measures to regain compliance in the past, including multiple reverse share splits and appeals to the Nasdaq Hearings Panel, there is no guarantee that these or future actions will be successful. If we fail to satisfy the continued listing requirements of Nasdaq such as the corporate governance requirements or the minimum closing bid price requirement, or certain value-based requirements, Nasdaq will take steps to delist our securities. 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 our annual report for the fiscal year ended December 31, 2023 (the "2023 Annual Report") with the SEC. Under the Nasdaq rules, the Company had 60 calendar days, or until July 19, 2024, to file the 2023 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 determined to grant an exception to enable us to regain compliance with the aforesaid rule, subject to our filing of the 2023 Annual Report with the SEC on or before August 19, 2024. We initially filed the 2023 Annual Report on August 16, 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.

In addition, on August 23, 2024 we received a deficiency notice from the staff of the Listing Qualifications department of Nasdaq (the "Staff") informing us that we are no longer in compliance with Nasdaq Listing Rule 5450(b)(3) (the "Total Assets and Total Revenue Requirement") because our total assets and total revenue for the most recently completed fiscal year and two of the last three most recently completed fiscal years were each below the minimum $50 million threshold for continued listing on The Nasdaq Global Market. In accordance with Nasdaq Listing Rule 5810(c)(2)(A), we had 45 calendar days, or until October 7, 2024, to submit a plan to Nasdaq to evidence compliance with Nasdaq's continued listing criteria (the "Compliance Plan"). On October 9, 2024, we submitted the Compliance Plan to Nasdaq. On December 11, 2024, we received another notice from Nasdaq stating that the Compliance Plan did not evidence our ability to achieve near term compliance with continued listing requirements or sustain such compliance over an extended period of time. Accordingly, we were notified that our securities would be delisted from the Nasdaq Global Market, unless we request a hearing before the Nasdaq Hearings Panel (the "Panel"), which request would stay any further action by the Staff at least until the hearing process concludes. On December 18, 2024, we requested a hearing before the Panel. Our hearing before the Panel was held on February 6, 2025, and on February 28, 2025 we announced that the Panel has granted the Company's request to continue its listing on Nasdaq. In making its decision, following the hearing, the Panel considered the Company's entire record, including background information about the Company, its business description, financial information, market data and compliance history. Based on the information presented to the Panel, including the Company's success, as of February 7, 2025, in bringing its market value of listed securities above the $35 million minimum, the Panel granted the Company's request for continued listing on Nasdaq, subject to the Company filing an application to transfer to The Nasdaq Capital Market by March 5, 2025, and demonstrating compliance with the minimum bid price and the market value of listed securities ("MVLS") requirements by March 31, 2025.

On February 26, 2025, Nasdaq confirmed to us via email that we had regained compliance with the MVLS Rules. On February 27, 2025, we received a notice from Nasdaq informing us that Nasdaq granted our request to continue our listing on the Nasdaq Stock Market, subject to (i) on or before March 5, 2025, our filing of an application to transfer our securities to the Nasdaq Capital Market and (ii) on or before March 31, 2025, our demonstrating compliance with the Minimum Bid Price Requirement and the continued listing requirement that we maintain either a minimum of $2,500,000 in shareholders' equity or $35,000,000 market value of listed securities or $500,000 of net income from continuing operations for the most recently completed fiscal year or two of the three most recently completed fiscal years, as set forth in Nasdaq Listing Rule 5550(b)(2) ("MVLS Rules"). In addition, on March 4, 2025, we filed an application to transfer our securities to the Nasdaq Capital Market. On March 28, 2025, we effected a 1-for-10 reverse share split of our ordinary shares in an effort to regain compliance with the Minimum Bid Price Requirement. On June 12, 2025, Nasdaq formally confirmed that we satisfy both the Minimum Bid Price Requirement and the MVLS thresholds.

On January 15, 2026, we effected a 1-for-15 reverse share split of our ordinary shares in an effort to maintain compliance with the Minimum Bid Price Requirement, which we subsequently achieved. On April 20, 2026, we effected a 1-for-50 reverse share split of our ordinary shares and on June 5, 2026, we effected a 1-for-20 reverse share split of our ordinary shares, both in an effort to maintain compliance with the Minimum Bid Price Requirement. Our reliance on multiple reverse share splits (including four such splits between March 2025 and June 2026) may be perceived negatively by the market and indicates a persistent difficulty in maintaining the minimum requirements for listing. While Nasdaq rules do not impose a specific limit on the number of times a listed company may effect a reverse share split to maintain or regain compliance with the Minimum Bid Price Requirement, Nasdaq has stated that a series of reverse share splits may undermine investor confidence in securities listed on Nasdaq. Accordingly, Nasdaq may determine that it is not in the public interest to maintain our listing, even if we regain compliance with the Minimum Bid Price Requirement as a result of the reverse share splits described above. Future issuances of our ordinary shares, including upon conversions of our outstanding convertible debt at substantially discounted prices, may put further downward pressure on the market price of our ordinary shares, which could increase the risk of further non-compliance with the Minimum Bid Price Requirement and the risk that Nasdaq may determine that our continued listing is not in the public interest. In addition, the resulting market price of our ordinary shares following any reverse share split may not attract new investors, including institutional investors, may not satisfy the investing requirements of those investors, and may result in our ordinary shares being subject to the "penny stock" rules in the future, which would impose additional sales practice requirements on broker-dealers and could severely limit the market price and liquidity of our ordinary shares.

On January 21, 2026, we received a letter from Nasdaq notifying us that, for the period from December 5, 2025 to January 20, 2026, our MVLS was below the MVLS Rule threshold. Pursuant to Nasdaq Listing Rule 5810(c)(3)(C), we have a compliance period of 180 calendar days, or until July 20, 2026 (the "Compliance Period"), to regain compliance with the MVLS Rule. If at any time during the Compliance Period, our MVLS is at least $35 million for a minimum of ten consecutive business days, Nasdaq will provide us a written confirmation of compliance and this matter will be closed. In the event that we do not regain compliance with the MVLS Rule during the Compliance Period, Nasdaq will provide written notification that our securities will be subject to delisting. In the event of such notification, the Nasdaq rules permit us an opportunity to appeal Nasdaq's determination. We are currently evaluating options to regain compliance with the MVLS Rule.

As described above, we have used all reasonable efforts to achieve compliance with the Minimum Bid Price Requirement and MVLS Rule. However, no assurance can be given that we will be able to maintain compliance with the Total Assets and Total Revenue Requirement, the Minimum Bid Price Requirement, the MVLS Rules, or comply with the other standards that we are required to meet in order to maintain a listing on such exchange or that Nasdaq will transfer our securities to the Nasdaq Capital Market. Our failure to meet these requirements or transfer our securities to the Nasdaq Capital Market may result in our securities being delisted from Nasdaq.

On May 18, 2026, we received a deficiency notice from the Nasdaq stating that we are not in compliance with Nasdaq Listing Rule 5250(c)(1) because we had not yet filed our Annual Report on Form 20-F for the period ended December 31, 2025 with the Securities and Exchange Commission (the "SEC"). In accordance with Nasdaq Listing Rules, we had 60 calendar days (until July 17, 2026) to submit a plan to regain compliance. If Nasdaq accepted our plan, Nasdaq can grant an exception of up to 180 calendar days from the due date of the Form 20-F, or until November 11, 2026, to regain compliance. With the filing of this Annual Report on Form 20-F, we will have regained compliance with this requirement within the applicable cure period.

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 OTC Markets, 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.

Our previous reverse share splits, and any future reverse share splits, may decrease the liquidity of our ordinary shares and have a dilutive effect on the ownership of our existing shareholders, and we cannot assure you that any future reverse share split will result in a sustained increase in the market price of our ordinary shares.

The liquidity of our ordinary shares may be adversely affected by a reverse share split given the reduced number of shares that will be outstanding following any such reverse share split, especially if the market price of our ordinary shares does not increase as a result of the reverse share split. In addition, a reverse share split may increase the number of shareholders who own odd lots (less than 100 shares) of our ordinary shares, creating the potential for such shareholders to experience an increase in the cost of selling their shares and greater difficulty effecting such sales. While we expect that the reduction in the number of outstanding ordinary shares will proportionally increase the market price of our ordinary shares, we cannot assure you that any reverse share split will increase the market price of our ordinary shares by a multiple of the reverse share split ratio, or result in any permanent or sustained increase in the market price of our ordinary shares. The market price of our ordinary shares will continue to be based, in part, on our performance and other factors unrelated to the number of shares outstanding.

A reverse share split also reduces the number of outstanding ordinary shares without reducing the number of authorized but unissued ordinary shares, which has the effect of increasing the number of ordinary shares available for issuance. The issuance of additional ordinary shares may have a dilutive effect on the ownership of our existing shareholders. The current economic environment in which we operate, the debt we carry, and otherwise volatile equity market conditions could limit our ability to raise new equity capital in the future on favorable terms or at all. In addition, following any reverse share split, the resulting market price of our ordinary shares may not attract new investors, including institutional investors, may not satisfy the investing requirements of those investors, and the trading liquidity of our ordinary shares may not improve.

Our ordinary shares could be subject to the "penny stock" rules in the future, which would impose additional sales practice requirements on broker-dealers and could severely limit the market price and liquidity of our ordinary shares.

The U.S. Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks," generally defined as non-exchange-traded equity securities with a price of less than $5.00 per share, subject to certain exceptions. While our ordinary shares are not currently considered "penny stock" because they are listed on the Nasdaq Capital Market, if our ordinary shares were to be delisted from the Nasdaq Capital Market and we are unable to maintain a per-share price above $5.00 (or otherwise satisfy an applicable exception), our ordinary shares would become "penny stock."

The penny stock rules impose additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as "established customers" or "accredited investors." Among other things, broker-dealers must determine the appropriateness for non-qualifying persons of investments in penny stocks, provide a standardized risk disclosure document, current bid and offer quotations, the broker-dealer's and salesperson's compensation in the transaction, monthly account statements showing the market value of each penny stock held in the customer's account, a special written determination that the penny stock is a suitable investment for the purchaser, and obtain the purchaser's written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity in the secondary market for any security that becomes subject to the penny stock rules and may discourage broker-dealers from effecting transactions in our ordinary shares, which could severely limit the market price and liquidity of our ordinary shares and may affect the ability of holders to resell our ordinary shares. In addition, many brokerage firms will discourage or refrain from recommending investments in penny stocks, and most institutional investors will not invest in penny stocks. As a result, penny stocks may have a limited market and, consequently, limited liquidity.

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.

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 below, we appointed a special committee of Independent Directors in 2023 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, our management identified material weaknesses in our internal control over financial reporting as of December 31, 2021 relating to deficiencies in the design and operation of the procedures relating to the closing of our financial statements. We continued to identify material weaknesses in our internal control over financial reporting through December 31, 2025, which have not been fully remedied to date. 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 included, 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 including improperly designed controls pertaining to change management and user access rights over systems that are critical to our 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).

During the fourth quarter of 2024 and through 2025, we undertook certain corrective actions in order to address and remediate these material weaknesses including (i) the recruitment of additional financial personnel in our finance department with an appropriate level of knowledge and experience; (ii) the establishment of risk and control matrices and implemented controls over material business processes; (iii) the design of operation of procedures related to timely closing of financial books, including the assignment of clear responsibilities, deadlines and appropriate segregation of duties; (iv) the formalization of signatory rights; and (v) establishment of controls over the change management process and permissions to the financial system. However, since the implementation of these controls only commenced in the fourth quarter of 2024, these controls were not in place for a sufficient period of time to allow management to conclude they were operating effectively throughout a significant portion of the year. Accordingly, management concluded that internal control over financial reporting was not effective as of December 31, 2025, due to these material weaknesses.

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 (as defined below) 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 cannot assure you the measures we have been taking or that we take in the future will be sufficient to remediate the material weaknesses 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."

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. In January 2026, the Israel Securities Authority concluded its related investigation and transferred the investigation file to the Tel Aviv District Attorney's Office (Taxation and Economic Crimes) for a resolution, the status of which remains uncertain. 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.

In 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 Mr. Moshe was terminated for cause, effective July 24, 2023, 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.

Since the completion of the Internal Investigation, we performed a restructuring of our top management and executive officers, in addition to enacting and enforcing tougher anti-fraud and anti-corruption policies, oversight, reviews and checks. All of the management and executive officers that served in the Company during the time when the misappropriation occurred have since left the Company and been replaced. To the best of the Company's knowledge, the past misappropriation of funds has no current or further impact on the Company, its finances and its business, and is not expected to affect the Company or its expected growth in the future.

These events regarding the Special Committee and Internal Investigation are the subject of 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, SEC, Nasdaq and/or the U.S. Department of Justice ("DOJ"). In September 2024, the ISA and the Israel Tax Authority conducted a search of HUB's office in the context of investigating former and current officers in connection with suspicions regarding violations of securities, penal and tax laws. To HUB's best knowledge, the suspicions are related, among other things, to the subject matter of the Internal Investigation. In addition, in April 2025, investigators from the Israeli Tax Authority visited the offices of the Company. To HUB's best knowledge, this visit concerned developments in the investigation related to the actions of a former Financial Controller of the Company, which were also addressed in the Internal Investigation. According to a letter provided to the Company in January 2026 by the ISA, the ISA's investigation has been concluded, and the investigation file concerning the Company has been transferred to the Tel Aviv District Attorney's Office (Taxation and Economic Crimes) for a resolution, the status of which remains uncertain. These events may also expose the Company and its directors and officers to possible investigations or enforcement actions by other regulators, including the SEC, Nasdaq and/or the DOJ. We have provided certain information and documentation to certain regulatory authorities and are 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 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. On September 7, 2025, the parties entered into a court approved settlement agreement, pursuant to which the parties provided a mutual release of claims and we released all severance payment contributions to Mr. Moshe and Ms. Bitan and paid Ms. Bitan a retirement grant of NIS 250,000. For further details, see Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

There can be no assurance that 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 lawsuits 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.

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 focused on providing secured data fabric based solutions to the financial services sector.

We were not successful in penetrating the secured data fabric market and our 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 solutions and 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. 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.

Actions that we have taken or may take 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.

We have in the past and may again implement a plan to reduce our workforce in order to become more efficient in our costs and to optimize facilities-related costs. Such plans are meant 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 such plans, 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 such plans 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 such plans and reductions in force may be disruptive to our operations. For example, a 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 makes it difficult to evaluate our business and prospects and increases the risk of your investment.

Significant portions of our growth have been through mergers and acquisitions. As a result, there is limited information that investors can use in evaluating our business, strategy, operating plan, results, and prospects. We currently derive most of our revenues from our Professional Services division. We intended to derive most of our revenues from our Products and Technology division, including our secured data fabric and confidential computing protection solutions, however, we only succeeded in deriving a small portion of our revenues from technology and product-oriented solutions, including our secured data fabric and confidential computing solution and have since impaired and shut down that business. In addition, we have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries. 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.

Competition in the market for 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 markets in which we operate are 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.

The cybersecurity professional services markets are experiencing heightened competition driven by rapid technological advancements, evolving regulatory landscapes, and increasing client demands. Major players like IBM, Microsoft, SAP, Oracle, and SAS Institute are expanding their offerings through strategic acquisitions and the integration of AI and machine learning to provide comprehensive, cloud-based GRC solutions. This technological innovation enables more efficient risk management and compliance processes, allowing organizations to automate regulatory adherence reports and detect threats more effectively. Simultaneously, the cybersecurity consulting sector is witnessing a shift as clients may favor technology firms over traditional consultancies. This trend underscores the importance for traditional firms to demonstrate their unique value propositions.

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 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 sell our 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 or regulatory bodies that govern them as a pre-condition of purchasing them. We cannot be certain that any certificate or regulatory approval will be granted or that we would be able to satisfy the technological and other requirements to maintain certifications or regulatory approvals. The loss of any of our existing certificates or regulatory approvals, 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.

We have not fully succeeded to 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. We may not be able to manage the process successfully and may experience a decline in our profitability as we incur expenses prior to fully realizing the benefits of the acquisition. We acquired a number of companies and certain assets within the past three years and greatly increased our number of employees and fields of operation. The smooth integration into our company 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, A.L.D. Advanced Logistics Development Ltd., is the foundation upon which we built our Professional Services division, and the strengths of the second acquired company, Comsec Ltd. and the third one Qpoint Technologies Ltd. ("QPoint"), in marketing, support, sales and cybersecurity consulting are the foundation of our sales efforts. Finally, we believed that our January 2025 acquisition of BST, the fourth company, had the potential to solidify our position as a leading provider of secured data fabric solutions in the future, offering a critical safeguard for banks, financial institutions and other industries navigating an increasingly complex regulatory and cybersecurity environment, however this did not ultimately succeed. We believed that the above mentioned acquisitions would give us direct access to a large number of blue-chip customers around the world, which would have saved 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 and has reduced 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.

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 fiscal year 2022 we recorded an impairment loss of $8.7 million for the assets acquired from Legacy. Certain subsidiaries of BST were classified as "held for sale" and subsequently sold to third parties during 2025. We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment on the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business. 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 our solutions may not continue to grow.

Continued growth of the industries in which we compete 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 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 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 fiscal year should not be relied upon as an indication of future performance. Our 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 period;
- 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 solutions;
- Any change in the competitive dynamics of our markets, including consolidation of competitors, regulatory developments and new market entrants;
- 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.

Certain members of our management team have limited experience managing a U.S. listed publicly traded company.

Some 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 these roles and responsibilities. As a U.S. listed public company, we are subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These obligations and constituents 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, we 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.

Uncertainties related to our recent management changes may adversely affect our business, strategy and financial results.

On March 31, 2026, Noah Hershcoviz resigned from his position as Chief Executive Officer and a member of the Board of Directors, effective immediately. Renah Persofsky, our Chairperson of the Board, has taken on a greater role in HUB's management while we seek a replacement for Mr. Hershcoviz. During May and June of 2026, four more of our executive management departed: Shai Schiller (Head of Strategy), Nachman Geva (Chief Technology Officer), Paul Parisi (Chief Revenue Officer) and John Rogers (President of the Americas Region).

As a result of these frequent management transitions, combined with the current challenges facing our businesses, we are subject to significant uncertainties regarding our future business strategy and direction. These uncertainties may cause or result in disruptions to our business and distractions to our employees and management; difficulty in recruiting, hiring, motivating, and retaining talented and skilled personnel, including current members of management; and difficulty in negotiating, maintaining, or consummating business or strategic relationships or transactions.

Furthermore, the search for a permanent CEO may be prolonged, and we cannot assure you that the selected person will effectively transition into the role or ultimately be successful. During this search and transition period, there may continue to be uncertainties and concerns for employees and management, as well as for current and potential customers, other business partners and shareholders. Any of these factors could have a material adverse effect on our business, financial condition, cash flows and results of operations or reputation, and could cause the market value of our shares and/or debt securities to decline.

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, we are currently conducting a global search for a permanent Chief Executive Officer and we have recently made 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 IT 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.

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 2025, we generated $28.1 million of our revenues from Israel, $2.9 million of our revenues from Europe and less than $1 million 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 operations 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;
- 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 boycotts, 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.

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.

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 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. 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.

Risks Related to Our Systems and Technology

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

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. 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.

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.

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.

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.

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. 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 occurs, 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 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. There can be no assurance that limitation of liability, indemnification or other protective provisions that we attempt to include in our contracts with customers, vendors, partners, or others 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.

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.

We incorporate artificial intelligence (AI) and machine learning (ML) into some of our services. This technology is new and developing and may present both compliance and reputational risks.

We rely on AI and machine learning in the operation of some of our services or solutions. The AI models that we use are trained using various data sets. If our AI models are incorrectly designed or implemented, they may produce inaccurate or unreliable results, negatively impacting the performance and reliability of our products or solutions. The effectiveness of our AI models depends on the quality and completeness of the data used for training. Any malfunction or unexpected behavior in our AI-driven systems could disrupt our operations and potential loss of revenue. Additionally, failures in the performance of our AI models could damage our reputation, erode customer trust, and result in loss of business and negative publicity.

Undetected defects and errors may increase our costs and impair 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 may incorporate third-party technologies in our products, which would make us dependent on the providers of these technologies and exposes us to potential intellectual property claims.

Our products and services may 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 a combination of trademark, copyright, and trade secret laws, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology. We generally no longer rely on patent protection for our solutions and may, in the future, elect not to maintain our existing patents or pursue new patent applications. To the extent we do not have patent protection for our inventions, we may be unable to prevent others from using our technology or from developing and marketing relevant products that are similar to or compete with our own. Furthermore, because we do not actively monitor the legal status of our historical patent filings or consistently maintain them, such assets may lapse or be challenged without our knowledge, rendering them ineffective as defensive assets.

The process of obtaining and maintaining patent protection is expensive and time-consuming, and we may not be able to, or may choose not to, prosecute necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, recent changes to patent rules in the United States and other jurisdictions may bring into question the validity of certain software-related intellectual property and may make it more difficult and costly to enforce proprietary rights.

Despite our efforts to protect our intellectual property, 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, especially regarding trade secrets which, once disclosed, may lose their legal protection.

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. From time to time, legal action by us may be necessary to protect our trade secrets, determine the validity and scope of the proprietary rights of others, or defend against claims of infringement. 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 by trade secret or copyright), 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 offer.

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 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 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. We may file for 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 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.

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. 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.

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

We are subject to a securities class action 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. Specifically, we are subject to a pending lawsuit in the Supreme Court of the State of New York relating to our 2023 de-SPAC merger seeking damages of not less than $5.08 million, plus interest, attorneys' fees and costs, and the plaintiff has filed a motion for entry of a default judgment, the entry of which could have a material adverse effect on our business, financial condition, results of operations and liquidity.

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 the class action and other lawsuits and for information concerning additional litigation proceedings, see Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

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.

On February 27, 2026, DC Rainier SPV LLC, the former sponsor of Mount Rainier Acquisition Corp., commenced an action against us and A-Labs Finance & Advisory Ltd. in the Supreme Court of the State of New York, County of New York (Index No. 151513/2026), alleging fraud and related claims in connection with the February 2023 de-SPAC merger between Mount Rainier Acquisition Corp. and our predecessor entity. The plaintiff alleges, among other things, that (i) we and A-Labs misrepresented the existence of approximately $50 million of purportedly "irrevocable" private investment in public equity (PIPE) financing commitments (including approximately $10 million purportedly committed by A-Labs itself) prior to the closing of the de-SPAC merger, none of which was funded, and (ii) we concealed misappropriation of Company funds by our former Chief Executive Officer and the misuse of Company credit cards by a former controller, as well as the existence of material weaknesses in our internal control over financial reporting for the years ended December 31, 2021 and 2022. The plaintiff seeks damages of not less than $5,080,027, plus interest, attorneys' fees and costs.

On April 28, 2026, the plaintiff filed a motion for entry of a default judgment against us, with a return date of May 29, 2026, on the grounds that we did not respond to the complaint within the time prescribed by the New York Civil Practice Law and Rules. As of the date of this Annual Report, we have not yet appeared in the action. We plan to seek to vacate any entry of default and to oppose the motion, asserting that service was not properly made. If a default judgment is entered against us in the amount sought by the plaintiff (or any substantial portion thereof), or if we are otherwise found liable for damages, it could have a material adverse effect on our financial condition, liquidity and the trading price of our ordinary shares, particularly given our existing liquidity constraints, and could increase the risk that we may be forced to seek bankruptcy or insolvency court protection. Any efforts to vacate or appeal a default judgment, or to defend the underlying claims, would be costly, would divert management resources and would have an uncertain outcome. Further, we may be subject to additional similar litigation in the future relating to disclosures made in connection with the de-SPAC merger or otherwise, and the costs and outcomes of any such litigation could also have a material adverse effect on our business, financial condition and results of operations.

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, the Israeli Privacy Protection Law, 1981 ("PPL") 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); 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; and the adoption of a significant amendment to the PPL, known as Amendment 13, which took effect in August 2025 and notably enhances the investigative powers of the Privacy Protection Authority and increase the potential monetary sanctions for violations. 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 we may be subject 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 we may be responsible for submitting product data to a database of hazardous substances established under the WFD and managed by the European Chemicals Agency. We 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.

Scrutiny of sustainability and environmental, social, and governance, or ESG, initiatives could increase our costs or otherwise adversely impact our business.

Public companies have recently faced scrutiny related to ESG practices and disclosures from certain investors, capital providers, shareholder advocacy groups, other market participants and other stakeholder groups. Such scrutiny may result in increased costs, enhanced compliance or disclosure obligations, or other adverse impacts on our business, financial condition or results of operations. If our ESG practices and reporting do not meet investor or other stakeholder expectations, we may be subject to investor or regulator engagement regarding such matters. Our failure to comply with any applicable ESG 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.

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 (the "Articles") 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.

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

We currently have limited cash resources and liquidity. 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 continue to incur significant costs as a result of operating as a U.S. listed public company, and our management needs to devote substantial time to compliance initiatives.

As a public company subject to reporting requirements in the United States, we incur significant legal, accounting and other expenses, 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 need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have caused us to incur significant legal and financial compliance costs and have made some activities to be more time-consuming and costly. As a result, the preparation and filing of this Annual Report was exceedingly time consuming and costly for us. We have not always filed our Annual Report by the prescribed deadline and are filing this Annual Report late, and we cannot be certain that similar situations would not occur in the future. Additionally continued delinquency in the timely submission of 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. These costs will likely increase our net loss in the short term. 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 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 the performance of our business as well as general market and economic conditions. 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 OTC Markets (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), 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 an active market can be 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, 2025, 2024 and 2023, 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.

Risks Related to Ownership of Our Ordinary Shares and Warrants

The market price and trading volume of our ordinary shares and warrants on Nasdaq has been extremely 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. The market price for our securities, particularly our ordinary shares, has declined significant in recent months, losing approximately 99% of their value, limiting the ability of our investors and business partners to resell their shares at or near the price at which they invested. 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. We cannot assure you that the market price of our ordinary shares and warrants will not continue to fluctuate widely or further 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.

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 share 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.

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.

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 relatively 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 are not subject to U.S. proxy rules and are 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 we are 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, 2026. 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, and do, 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. For instance, we follow home country practice in Israel with regard to the (i) quorum requirement for shareholder meetings and (ii) the requirement to obtain shareholder approval for certain dilutive events (such as for the establishment or amendment of certain equity-based compensation plans, issuances that will result in a change of control of the Company, certain transactions other than a public offering involving issuances of a 20% or more interest in the Company and certain acquisitions of the shares or assets of another company). We may in the future elect to follow home country practices in Israel with regard to other matters as well. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. company listed on the Nasdaq Global Market may provide less protection to you than what is accorded to investors under the Nasdaq Stock Market listing rules applicable to domestic U.S. issuers. See Item16G. "Corporate Governance."

We are subject to ongoing reporting obligations and potential penalties under the Israeli Securities Law.

As a company whose securities were listed on the Tel Aviv Stock Exchange (the "TASE"), even though we delisted them from the TASE in March 2023, the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law") continues to apply and we are still 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 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.

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, which could adversely affect our ability to conduct our business.

Issuances of our ordinary shares have, and in the future may continue to, significantly dilute the holdings of existing shareholders, and 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.

As of July 7, 2026, there were 32,836,053 outstanding ordinary shares (adjusted for the 1-for-15 reverse split effected on January 15, 2026, the 1-for-50 reverse split effected on April 20, 2026 and the 1-for-20 reverse split effected on June 5, 2026). We have issued a substantial number of convertible notes and warrants that may be converted or exercised into our ordinary shares, which has significantly diluted our existing shareholders and has, and may in the future continue to, adversely affect the market price of our ordinary shares. Since January 1, 2026, convertible notes were converted into approximately 4,591,633 of our ordinary shares (post-reverse splits). As of June 30, 2026, such securities are convertible or exercisable into an aggregate of 83,459,200 ordinary shares. Many of such notes and warrants are subject to anti-dilution adjustments that would result in their becoming convertible or exercisable for additional shares and the reduction of the conversion or exercise price if we were to issue securities at a purchase price (or conversion or exercise price) of less than $5.00 per share.

Pursuant to the terms of private investments made by certain equity holders, we are required to register the securities of such equity holders. Upon the effectiveness of any registration statement we file to register securities issued or issuable in connection with such private investments 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 will likely 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.

In consideration for the acquisition of BST, HUB issued to BST's equity holders 197 ordinary shares and pre-funded warrants to purchase 44 ordinary shares of HUB. The exercise of the pre-funded warrants was limited to the extent that, upon exercise, the holder and its affiliates would hold more than 4.99% of HUB's outstanding ordinary shares. The ordinary shares were subject to transfer restrictions until June 2026. The actual or perceived availability of these shares for sale may further depress the trading 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 2025. 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 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 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. Terrorist attacks and hostilities within Israel and the recent hostilities between Israel and Hamas, Hezbollah, the Houthis and Iran have also heightened these risks, including the wider war with Iran that began in February 2026. We are unable to predict the ramifications of the current military hostilities in the Middle East.

While a ceasefire has been entered into between Israel and Hamas and later between Israel and Iran, the situation remains fragile and verbal threats and sporadic violations persist and may potentially escalate in the future to more active hostilities. It is possible that other terrorist organizations, including Palestinian militant organizations in the West Bank, as well as other hostile countries, will engage in hostilities against Israel or Israeli interests.

There can be no assurance that attacks launched against Israel will not damage our facilities, which could result in a disruption of our business. Further, these events may be intertwined with wider macroeconomic indications of a deterioration of Israel's economic standing that may involve a downgrade in Israel's credit rating by rating agencies, which may have an adverse effect on us and our ability to effectively conduct our operations.

The Israel Defense Force (the "IDF"), the national military of Israel, is a conscripted military service, subject to certain exceptions. 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 and military activity, there have been periods of significant call-ups of military reservists, especially following the invasion by Gaza-based terrorists on October 7, 2023. It is possible that there will be military reserve duty call-ups in the future. 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 October 7, 2023, approximately 60 of our employees served in active duty, including our former CEO and CTO. While these call-ups have not resulted in material disruption to our operations to date, extended reserve duty obligations are expected to continue in the coming years, and significant increase in the scope or duration of such service could disrupt our operations and adversely affect our business.

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, and the recent hostilities and their depiction in certain news outlets and social media platforms have increased anti-Israel sentiment around the world, which could lead to adverse political and economic ramifications. Any 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 our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our 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 the board of directors may fill director vacancies.

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. 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 the standard Israeli corporate tax rate (currently 23%). 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 shareholder's 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.

Risk Factors Relating to the Evofem Transaction

We may not realize any value from the Evofem Notes and Purchase Rights, and the securities we issued as consideration for the Evofem Notes and Purchase Rights may prove to have been issued for assets that are ultimately worthless.

In June 2026, we acquired senior subordinated convertible notes of Evofem Biosciences, Inc. ("Evofem") with an aggregate outstanding balance of approximately $5.4 million (the "Evofem Notes") and certain prepaid rights to receive shares of Evofem common stock in an aggregate amount of approximately $10.2 million (the "Purchase Rights"), for an aggregate purchase price of approximately $49.3 million payable solely in our ordinary shares and pre-funded warrants (the "Evofem Transaction"). Evofem is in severe financial distress. In its Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 filed with the SEC on May 15, 2026, Evofem disclosed total assets of approximately $7.4 million against total liabilities of approximately $80.2 million, a stockholders' deficit of approximately $77.6 million, limited cash resources, and substantial doubt about its ability to continue as a going concern. Evofem's senior secured lender has asserted a claim that vastly exceeds Evofem's total assets, has declared defaults and cancelled a forbearance agreement, and has threatened foreclosure on substantially all of Evofem's assets. If Evofem is liquidated, forecloses, restructures, or files for bankruptcy protection, we may receive no cash payment and no equity value in respect of the Evofem Notes or the Purchase Rights. Accordingly, the Evofem Notes and Purchase Rights may ultimately prove to have little or no realizable value, and we may be required to write down or write off the entire carrying value of these securities, even though we issued a very substantial amount of our equity securities to acquire them.

The Evofem Notes are unsecured, deeply subordinated junior obligations, and any cash recovery is remote.

The Evofem Notes are junior subordinated obligations of Evofem. They are unsecured and are subordinated in right of cash payment to Evofem's senior secured notes (reported by Evofem at approximately $123.2 million of total outstanding balance as of March 31, 2026 and secured by substantially all of Evofem's assets, including its intellectual property) and to Evofem's Adjuvant notes (reported by Evofem as having a carrying value of approximately $33.4 million), which constitute "Permitted Senior Indebtedness" senior to the Evofem Notes. Contractual put rights under the Evofem Notes that could otherwise generate cash for holders, including puts tied to subsequent placements and asset sales, are exercisable only after all Permitted Senior Indebtedness is paid in full, and any change-of-control redemption claim likewise is subordinated behind senior debt. Because the senior claims far exceed Evofem's total assets, we do not expect to recover cash on the Evofem Notes at maturity or otherwise, and the notes maturing December 1, 2026 are unlikely to be repaid when due. A payment default at maturity, cross-defaults among Evofem's debt instruments (which can be triggered at low thresholds), or enforcement action by the senior secured lender could further impair or eliminate any residual value.

Our ability to convert the Evofem Notes and exercise the Purchase Rights is subject to significant limitations although conversion or exercise (and subsequent sale of the resulting shares of Evofem common stock) is effectively our principal potential path to receiving value.

Because the possibility of our cash recovery on the Evofem Notes is remote, our principal potential source of consideration is conversion of the Evofem Notes, and exercise of the Purchase Rights, into shares of Evofem common stock at the current conversion or exercise price (as applicable) of $0.0154 per share, and our subsequent sale of those shares. That option is subject to a number of significant limitations. First, Evofem does not currently have sufficient authorized common stock to permit conversion and exercise in full of its outstanding convertible securities and equity-linked instruments, as its authorized share capital is approximately 3.0 billion shares while its fully diluted share count (assuming conversion of all convertible instruments) is significantly higher. Second, the Evofem Notes contain a 9.99% beneficial-ownership limitation that by its terms may not be waived and applies to successor holders, which would prevent us from converting more than a small portion of our position at any one time. Third, Evofem has disclosed a potential reverse stock split (in a ratio of up to 1-for-1,500), and the Evofem Notes contain anti-dilution and stock-combination adjustment provisions (including full-ratchet and "event market price" reset mechanics) that would reset the conversion terms of the Evofem Notes upon such events and could materially reduce the number of shares issuable to us or the value of conversion. As a result of the above, there can be no assurance that we will be able to convert the Evofem Notes or exercise the Purchase Rights, in either case in whole or in part, or that any such conversion or exercise will yield any realizable value.

Even if we obtain shares of Evofem common stock, we may be unable to sell them at attractive prices or at all.

Evofem's common stock is currently quoted on the OTCID market. Trading on such market is limited, sporadic and volatile, and the common stock trades at a low absolute price. This may subject transactions in the stock to the SEC's penny stock rules and additional broker-dealer requirements, which could affect our ability to sell shares of Evofem common stock and the value we could receive from any such sale. In addition, the shares of Evofem common stock issuable to us upon conversion or exercise would be "restricted securities" and could be sold only pursuant to an effective registration statement or an exemption from registration such as Rule 144 of the Securities Act, subject to applicable holding periods and other conditions, which could limit our ability to resell such securities. In addition, if we were deemed an "affiliate" of Evofem (including by reason of the size of our as-converted position, which on an as-converted basis would represent a substantial majority of Evofem's outstanding common stock), our resales would be subject to volume, manner of sale and other limitations under Rule 144, and we would be subject to beneficial ownership reporting and potentially other obligations under the U.S. federal securities laws. Any significant sale by us of the shares of common stock could itself cause a significant decline in the market price of Evofem common stock given its limited liquidity. As a result of the above, even if we acquire shares of Evofem common stock we may not be able to sell such shares or to sell them at attractive prices.

We issued a very large number of ordinary shares and Pre-Funded Warrants as consideration in the Evofem Transaction, resulting in substantial dilution to our shareholders, potentially in exchange for assets that may yield no return.

As consideration in the Evofem Transaction, we issued an aggregate of 31,623,000 Consideration Shares (including the ordinary shares issuable upon exercise of the Pre-Funded Warrants). This compares to 4,291,960 ordinary shares outstanding immediately prior to such issuance. Assuming full exercise of the Pre-Funded Warrants, the Consideration Shares would represent a substantial majority of our outstanding share capital, and our shareholders prior to the Evofem Transaction have experienced, and upon exercise of the Pre-Funded Warrants will experience, very significant dilution of their ownership, voting power and economic interest. If the Evofem Notes and Purchase Rights ultimately yield little or no value, our shareholders will have borne this dilution in exchange for assets of little or no worth, which could materially and adversely affect the market price of our ordinary shares.

The pre-funded warrants issued in the Evofem Transaction cannot be exercised in full unless our shareholders approve the exercise and an increase in our authorized share capital, and such approval may not be obtained.

The pre-funded warrants are subject to a 4.99% beneficial ownership limitation by their current holders. We have undertaken to call a meeting of our shareholders as soon as reasonably practicable to approve the full exercise of the pre-funded warrants, the issuance of all ordinary shares issuable upon such exercise, and an increase in our authorized share capital. There can be no assurance that our shareholders will approve these proposals or as to the timing of any approval. If shareholder approval is not obtained, the pre-funded warrants will remain subject to the beneficial ownership limitation by their current holders and may not be exercisable in full, which could give rise to claims or disputes with holders of the pre-funded warrants, adversely affect our relationships with these investors, and create uncertainty regarding our capital structure. Seeking approval will also involve the time and expense of a shareholder meeting, and the pendency of these proposals may create an overhang on the market for our ordinary shares.

Future sales, or the perception of future sales, of the Consideration Shares could depress the market price of our ordinary shares.

The Consideration Shares were issued in a private placement and constitute restricted securities. In the future holders of the Consideration Shares may sell such shares pursuant to Rule 144 or, if we grant or effect registration rights, pursuant to a resale registration statement. The number of ordinary shares issuable upon exercise of the pre-Funded Warrants is very large relative to our public float and historical trading volumes. Sales of a substantial number of our ordinary shares by holders of Consideration Shares, or the market's perception that such sales may occur (including upon or following shareholder approval), could materially depress the market price of our ordinary shares and impair our ability to raise capital in the future.

We do not control Evofem, we have limited rights and limited information as a noteholder, and Evofem's own disclosure and control environment present risks.

The Evofem Notes and Purchase Rights do not entitle us to board representation, voting rights (except as required by law) or control over Evofem's business, management, strategy or capital structure. Evofem may take actions that are adverse to our interests, including incurring or restructuring indebtedness, effecting recapitalizations or reverse stock splits, issuing additional securities that dilute the shares underlying our instruments, or agreeing to transactions with its senior creditors that impair junior claims. In addition, amendments and waivers under the note documentation generally require specified holder thresholds, and we may be bound by actions of other holders or unable to effect amendments we consider desirable. Our assessment of the Evofem Notes and Purchase Rights is based substantially on Evofem's public filings and information provided to us in connection with the transaction. In its public filings Evofem disclosed material weaknesses in its internal control over financial reporting. In addition, its public disclosure may not be complete, accurate or timely.

If our investment securities become a significant portion of our total assets, we could be deemed an investment company under the Investment Company Act of 1940, which could materially restrict our business.

Following the Evofem Transaction, we hold convertible notes and equity-linked instruments of another company. If the value of these and any other investment securities were to constitute a significant portion of our total assets, we could be deemed to be an "investment company" within the meaning of the Investment Company Act of 1940, as amended, absent an applicable exemption. Registration or regulation as an investment company would impose burdensome requirements on us, including restrictions on our capital structure, transactions with affiliates and ability to issue securities, and compliance could be impracticable for a company like ours. We intend to conduct our business, and to monitor our asset composition, so as not to be deemed an investment company, but there can be no assurance that we will not be required to take remedial actions, such as disposing of assets on unfavorable terms, to avoid that result.

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. 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 developed unique technology and products in the field of confidential computing, with the intention to be a significant player in the cyber security industry.

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

In November 2023, HUB began to collaborate with BlackSwan Technologies, Inc. ("BST") with the goal of becoming a significant player in the secured data fabric industry. BST's technologies and solutions were mostly needed by government entities, banks and financial institutions, and large regulated enterprises. Pursuant to this collaboration, we began integrating BST technology with HUB technology and we were granted rights to utilize deliverables created under the collaboration, along with a license to access and use certain of BST's intellectual property. We were also granted an option to purchase all of the outstanding share capital or assets of BST.

On January 27, 2025, HUB consummated an Agreement and Plan of Merger with BST, pursuant to which BST and its subsidiaries became subsidiaries of HUB. We paid a purchase price of $41.6 million for the transaction, which was accounted for as an asset acquisition. We subsequently divested four of the BST subsidiaries that were not integrated into our business operations. We executed the acquisition of BST believing it would accelerate the development of our secure data fabric offering by integrating BST's technology with our existing platform. We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment with respect to the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business.

The Company is implementing a comprehensive restructuring, during which the Board and management team have taken steps to improve liquidity, simplify the Company's organizational structure, cut operating costs and strengthen corporate governance. This includes the Evofem transaction, reduction of operating expenses and headcount, and the engagement of Deloitte to support out restructuring efforts. For further details, see "—Recent Developments" below. The Board continues to explore various strategic alternatives intended to maximize value for shareholders and position HUB for future growth.

Corporate Information

Our website address is www.hub-technologies.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 offices is 30 Hacharoshet Street, Or Yehuda, Israel and our telephone number is +972-3-918-6066. For securities matters related to specific securities filings, our agent for service of process in the U.S. is Puglisi & Associates, 850 Library Avenue, Newark, Delaware 19711. For other matters, our agent for service of process in the U.S. is Northwest Registered Agent LLC, 418 Broadway STE N, Albany, New York 12207. 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, 2025 and for those currently in progress, see Item 5. "Operating and Financial Review and Prospects."

Recent Developments

Acquisition of Evofem Convertible Notes and Purchase Rights; Issuance of Securities

On June 26, 2026, we entered into securities purchase agreements (each, a "Purchase Agreement" and, collectively, the "Purchase Agreements") with certain holders (each, a "Seller" and, collectively, the "Sellers") of senior subordinated convertible notes (the "Evofem Notes") of Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), and of certain purchase rights to acquire securities of Evofem (the "Purchase Rights"). Pursuant to the Purchase Agreements, the Company agreed to purchase from the Sellers all of their respective Evofem Notes and Purchase Rights, free and clear of liens, in exchange solely for the issuance of equity securities of the Company as described below.

Evofem is a commercial-stage biopharmaceutical company with two innovative women's health products: (i) PHEXX®, a non-hormonal prescription contraceptive vaginal gel and (ii) SOLOSEC®, a single-dose oral antimicrobial agent for the treatment of two common sexual health infections – bacterial vaginosis (BV) and trichomoniasis.

The Evofem Notes acquired by the Company consist of Evofem's senior subordinated convertible notes governed by a common form of note (the "SSN Notes" and the "Aditxt Notes"), comprising the exchanged senior subordinated convertible notes originally issued between December 2022 and September 2023 and restructured effective December 1, 2023 (maturing December 1, 2026), together with senior subordinated convertible notes issued in the same form maturing April 8, 2028 and June 26, 2028. The Evofem Notes are junior subordinated obligations of Evofem (subordinated in right of cash payment to Evofem's senior secured notes and other senior debt obligations of Evofem), bear interest at 8% per annum compounding monthly (payable at maturity), and are convertible, at the holder's election, into shares of Evofem common stock at a conversion price of $0.0154 per share (subject to customary adjustment for stock splits, stock dividends, recapitalizations and similar events), subject to a 4.99% or 9.99% beneficial ownership limitation. Based on the aggregate outstanding balance of the Evofem Notes acquired by the Company (approximately $5,373,556), the Evofem Notes would be convertible into approximately 348,932,233 shares of Evofem common stock, without factoring in the beneficial ownership limitation. The Purchase Rights acquired by the Company are exercisable for Evofem common stock at the same $0.0154 per share price and, based on the aggregate amount of the Purchase Rights acquired (approximately $10,153,890), would be exercisable into approximately 659,343,507 shares of Evofem common stock. In the aggregate, the Evofem Notes and Purchase Rights acquired by the Company would be convertible into, and exercisable for, approximately 1,008,275,740 shares of Evofem common stock (in each case before giving effect to any beneficial-ownership limitations and Evofem's available authorized common stock), which if fully converted and exercised, will give the Company an 88% ownership of Evofem based on the current outstanding shares (or 14% on a fully diluted basis, assuming full issuance of all potential shares issuable for all convertible instruments outstanding).

The aggregate purchase price payable by the Company for the Evofem Notes and Purchase Rights was approximately $49,331,891 (the "Purchase Price"), payable solely in ordinary shares of the Company, no par value, and/or pre-funded warrants to purchase ordinary shares (the "Pre-Funded Warrants" and, together with the ordinary shares issued as consideration, the "Consideration Shares"), and not in cash. The number of Consideration Shares issuable to each Seller is equal to such Seller's portion of the Purchase Price divided by $1.560 per share, the closing price of the Ordinary Shares on the Nasdaq Stock Market on June 24, 2026. As aggregate consideration under the Purchase Agreements, the Company issued 31,623,000 Consideration Shares (including the ordinary shares issuable upon exercise of the Pre-Funded Warrants).

Pursuant to the Purchase Agreements, the Consideration Shares were issued as ordinary shares except to the extent that such issuance would cause a Seller, together with its affiliates and any persons acting in concert with it, to beneficially own or hold in excess of 4.99% of the Company's outstanding ordinary shares after giving effect to the issuance (the "Beneficial Ownership Limitation"), in which case the portion that would otherwise exceed the Beneficial Ownership Limitation was issued in the form of Pre-Funded Warrants. Accordingly, at the closing the Company issued an aggregate of 1,794,901 Ordinary Shares and issued Pre-Funded Warrants exercisable for an aggregate of 29,828,099 Ordinary Shares. The number of ordinary shares issued to any individual Seller was limited so that such Seller would not exceed the Beneficial Ownership Limitation (a maximum of 225,417 Ordinary Shares per Seller, based on 4,291,960 Ordinary Shares outstanding immediately prior to the issuance), with the balance of such Seller's Consideration Shares issued in the form of Pre-Funded Warrants. Certain Sellers whose existing beneficial ownership already equaled or exceeded 4.99% received all of their Consideration Shares in the form of Pre-Funded Warrants.

Each Pre-Funded Warrant has an exercise price of $0.001 per Ordinary Share, may be exercised on a cash or cashless basis, and is not exercisable to the extent the holder would exceed the Beneficial Ownership Limitation.

The Company has agreed to call a meeting of its shareholders as soon as reasonably practicable following the closing to approve (i) the full exercise of the Pre-Funded Warrants and the issuance of all ordinary shares issuable upon exercise thereof and (ii) an increase in the Company's authorized share capital sufficient to permit such issuance in full. Upon receipt of such shareholder approval, the 4.99% Beneficial Ownership Limitation applicable to the Pre-Funded Warrants will automatically be lifted, and the Pre-Funded Warrants will thereafter be exercisable in full in accordance with their terms.

The Consideration Shares, and the ordinary shares issuable upon exercise of the Pre-Funded Warrants, were offered and issued in reliance upon the exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(a)(2) thereof (and/or Regulation S) promulgated thereunder, and will constitute "restricted securities."

In July 2026, we entered into a promissory note with Evofem pursuant to which we provided a loan to Evofem in the principal amount of $706,304, bearing interest of 12% per annum, compounded monthly. The loan matures 11 months from the effective date, unless accelerated due to an event of default. The loan included an administration fee equal to 2% of the total loan amount, due on the effective date and a weekly monitoring fee of $2,000, accruing from the effective date and payable on the maturity date. Evofem is entitled to use the proceeds of the loan exclusively for making payments to its suppliers for the manufacture, production, and distribution of its products, PHEXX and SOLOSEC.

Restructuring

The Evofem transaction is the latest milestone in a comprehensive restructuring that the Company has implemented, during which the Board and management team have taken steps to improve liquidity, simplify the Company's organizational structure, cut operating costs and strengthen corporate governance.

As part of this plan, the Company has substantially reduced operating expenses, eliminating many external consultants and contractors and reducing headcount solely at the HUB level by approximately 50%. During May and June 2026, we executed a targeted workforce reduction of approximately 10% of all our employees or full-time employee equivalents in order to improve our operational efficiency. Most of the reduction was related to the cessation of activities in the BST business.

The Company has also engaged Deloitte to support its restructuring efforts, operational improvements and financial planning as it works to strengthen its balance sheet. Additionally, the Board continues to explore various strategic alternatives intended to maximize value for shareholders and position HUB for future growth. The Company believes the Evofem transaction reflects a first step in a disciplined approach to pursuing strategic opportunities while preserving liquidity.

Liquidity

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. We intend to finance operating costs over the next twelve months through a combination of future issuances of equity and/or debt securities, reducing operating expenses and divesting assets.

As a result of liquidity and cash flow concerns that have arisen due to factors related to our business operations, together with the Internal Investigation, we face significant uncertainty regarding the adequacy of our liquidity and capital resources and our ability to repay our obligations as they become due. We are generating negative cash flow, requiring constant and immediate cash injections to continue to operate, and are 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 defaults under certain loans, payments due to our debt holders, vendors and service providers and government duties, which resulted in a seizure being placed on certain of our bank accounts. During certain periods in 2024 and 2025, we were unable to make required deposits in employee pension and severance funds, which were later paid and settled and payments due for certain periods in 2025 and 2026 were paid in June 2026. Furthermore, we have been unable to fully pay required withholding taxes on employee compensation payments and government fees. Certain of our subsidiaries also did not make timely tax filings with the ITA for several years. 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.

For a discussion regarding our liquidity, cash resources and debt facilities, see Item 5.B. “Liquidity and Capital Resources.”

In 2025 and in 2026, we engaged a restructuring consultant to negotiate with creditors in order to reach voluntary agreements to reduce a portion of their respective outstanding debt and enable us to continue our operations.

Internal Investigation

In August 2023, the Special Committee comprised of independent directors appointed by our board of directors completed the independent Internal Investigation into 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 and wife of Mr. Moshe), the Special Committee also conducted a review of our financial department and relevant policies, procedures and internal controls. The Special Committee believed that it found sufficient evidence to support a determination that 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 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 Mr. Moshe was terminated for cause, effective July 24, 2023, 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. For further details, see Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

Additionally, the Special Committee believed that it found sufficient evidence to determine that, one of our controllers, with the permission of Mr. Moshe, used HUB 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.

Since the completion of the Internal Investigation, we performed a restructuring of our top management and executive officers, in addition to enacting and enforcing tougher anti-fraud and anti-corruption policies, oversight, reviews and checks. All of the management and executive officers that served in HUB during the time when the misappropriation occurred have since left HUB and have been replaced. To the best of our knowledge, the past misappropriation of funds has no current or further impact on HUB, its finances and its business, and is not expected to affect HUB or its expected growth in the future. The board of directors and management also took action to implement other significant remedial measures, including commencing a process to develop and implement enhanced internal controls over financial reporting and disclosure controls.

In September 2024, the ISA and the Israel Tax Authority conducted a search of HUB’s office in the context of investigating former and current officers in connection with suspicions regarding violations of securities, penal and tax laws. To HUB’s best knowledge, the suspicions are related, among other things, to the subject matter of the Internal Investigation. In addition, in April 2025, investigators from the Israeli Tax Authority visited the offices of the Company. To HUB’s best knowledge, this visit concerned developments in the investigation related to the actions of a former Financial Controller of the Company, which were also addressed in the Internal Investigation. According to a letter provided to the Company in January 2026 by the ISA, the ISA’s investigation has been concluded, and the investigation file concerning the Company has been transferred to the Tel Aviv District Attorney’s Office (Taxation and Economic Crimes) for a resolution, the status of which remains uncertain.

B. Business Overview

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

Overview

In 2025, HUB focused on two symbiotic lines of business: (1) the Products and Technology division – secured data fabric and confidential computing; and (2) the Professional Services division – cyber security and other technology services.

Products and Technology Division

- HUB's Products and Technology division focuses on research and development of HUB's products and solutions.
- HUB's product solutions were marketed and licensed directly to banks, financial services, government agencies, defense organizations, research institutions and large enterprises.
- We recorded a significant impairment of this division as of December 31, 2025, for the secured data fabric business, which ceased operations in June 2026.

Professional Services Division

The Professional Services division is comprised of services performed by Comsec, QPoint and certain ALD activities.

- ALD provides quality control in complex engineering projects and ensuring smooth and reliable execution in mission critical processes.
- 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.
- QPoint provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Its team of over 145 engineers provides advanced technological expertise, offering readily available and professional solutions to leading Israeli companies and organizations.

Management, Sales, and Distribution

- HUB's Management, Sales, and Distribution team oversees marketing, sales, and related commercial activities to advance and support the distribution of HUB's product solutions and services.
- They oversee strategic planning, resource allocation, and operational execution to align our goals with market demands and ensure sustainable growth.
- This team drives revenue by identifying customer needs, closing deals, and ensuring effective delivery and support of software products through various channels.

Our Operations

In 2025, we operated in several countries and provided innovative cybersecurity computing appliances, secured data fabric services and zero trust confidential computing as well as cybersecurity and reliability, availability, maintainability and safety (RAMS) professional services.

Since 2021, HUB has completed four acquisitions of cybersecurity consulting services and distribution companies – ALD, Comsec, QPoint and BST. This provided HUB with an established customer base, including governmental agencies and enterprises that were expected to be prime targets for its data fabric and confidential computing solutions.

We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment on the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business.

The Company is implementing a comprehensive restructuring, during which the Board and management team have taken steps to improve liquidity, simplify the Company's organizational structure, cut operating costs and strengthen corporate governance. This includes the Evofem transaction, reduction of operating expenses and headcount, and the engagement of Deloitte to support out restructuring efforts. The Board continues to explore various strategic alternatives intended to maximize value for shareholders and position HUB for future growth.

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 to protect sensitive data in transit and in storage. However, sensitive data is still vulnerable when in use. For example, while Transparent Database Encryption ("TDE") protects data in storage, that data must be stored in cleartext in the database buffer pool so that SQL queries can be processed, rendering it vulnerable to memory-scraping malware and privileged user abuse.

This concern around protecting data in use has held back many organizations from delegating computations to the cloud and from sharing private data with peers for collaborative analytics.

HUB's Offerings

HUB's Products and Technology Division:

Secured Data Fabric

In November 2023, HUB began to collaborate with BST with the goal to become a significant player in the secured data fabric industry, and on January 27, 2025, HUB consummated a merger agreement with BST resulting in BST and its subsidiaries becoming subsidiaries of HUB. We paid a purchase price of $41.6 million for the transaction, which was accounted for as an asset acquisition. We subsequently divested four of the BST subsidiaries that were not integrated into our business operations. We executed the acquisition of BST believing it would accelerate the development of our secure data fabric offering by integrating BST's technology with our existing platform. We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment with respect to the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business.

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, rule-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.

HUB's confidential computing solution has three configurations (HUB Vault, HUB PCIe Card and Hub Guard) that were available for commercial sale. We have currently ceased operations of this product offering.

This business has currently ceased operations along with the secured data fabric business.

HUB's Professional Services Division:

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

Comsec

In November 2021, we completed the acquisition of Comsec Ltd. and its subsidiaries. Comsec provides innovative cybersecurity services with more than 30 years serving customers in Israel and across the world. The professional services portfolio provides consulting services to identify and mitigate risks in customers' cybersecurity environments.

Most of Comsec's customers are large enterprises, militaries and government agencies, and Comsec has long-term connections with the IT procurement departments in those organizations and is recognized as an approved provider.

Comsec specializes in governance risk compliance ("GRC") and strategic consulting services. The company helps clients assess their gaps to 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. 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. Comsec's compliance and GRC services also include 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 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 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 restore operations to normal.

Comsec 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.

Comsec 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. Comsec also partners with organizations across the globe to provide their customers with the same high quality services that Comsec provides directly. Partners include large outsourcing organizations as well as specialized niche companies that value Comsec's add-on services.

Comsec explores opportunities to provide its services to large outsourcing companies in Europe and around the world that lack critical security services, struggle with demand and cannot provide high-quality profiles.

Comsec Competition and Competitive market

Although there are a large number of cybersecurity organizations, the market need far outpaces the growth in our competitors. Comsec 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 Comsec has the opportunity to bring these innovative services to an international clientele.

Major competitors include global consulting firms. While these organizations are large, Comsec 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, Comsec 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

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. ALD's experience and reputation enable it to provide high-quality cybersecurity integration services to large-enterprise customers of HUB.

ALD's customers include those in the aerospace, defense, government and transportation industries.

The reliability of the 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.

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

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.

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.

This acquisition was strategically aligned with our mission to establish a leading global professional services and secure data fabric ecosystem. QPoint has a diverse customer base of over 100 clients, including renowned brands such as Rafael Advanced Defense Systems, the Israel Airports Authority and the Ministry of Defense of Israel.

QPoint provides a variety of tech solutions and consulting across various verticals, including innovative data management and security solutions, including software development and testing, cybersecurity, information systems, consulting, and training. QPoint's team of engineers provides advanced technological expertise, offering readily available and professional solutions to leading Israeli companies and organizations. This 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 significantly broadens HUB's customer base and service offerings as a result of QPoint's market presence and compelling service solutions, and also integrates a financially sound partner poised to make a significant contribution to HUB's overall financial well-being.

Most of QPoint'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 as an approved provider.

Competition

The markets in which HUB operates are 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 products and services that employ different approaches and delivery models to address these evolving threats.

Cybersecurity Competitive Landscape

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 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.

Professional Services Competitive Landscape

The cybersecurity professional services markets are experiencing heightened competition driven by rapid technological advancements, evolving regulatory landscapes, and increasing client demands. Major players like IBM, Microsoft, SAP, Oracle, and SAS Institute are expanding their offerings through strategic acquisitions and the integration of AI and machine learning to provide comprehensive, cloud-based GRC solutions. This technological innovation enables more efficient risk management and compliance processes, allowing organizations to automate regulatory adherence reports and detect threats more effectively. Simultaneously, the cybersecurity consulting sector is witnessing a shift as clients may favor technology firms over traditional consultancies. This trend underscores the importance for traditional firms to demonstrate their unique value propositions.

Nonetheless, the demand for professionals with cybersecurity expertise is surging, as organizations seek to navigate complex regulatory environments and bolster their cybersecurity frameworks. The convergence of regulation and cybersecurity services, coupled with the integration of advanced technologies, is reshaping the competitive landscape, compelling firms to innovate and adapt to maintain a competitive edge.

Intellectual Property

HUB considers its 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, 2025, we owned six registered patents in the United States, as well as one U.S. patent application, which was recently allowed; however, these patents have not being actively maintained and their legal status is not currently being monitored by us. 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.

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 may 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, including the financial services sector, 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 Rights 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, or for foreign private issuers like us, on Form 6-K promptly after making such determination, 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.

We have implemented a security program consisting of policies, procedures, and technology 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."

Financial Services

We are not currently subject to laws and regulations applicable to the financial services sector. However, some of our products are subject to regulation and supervision by our customers' regulators and we, as a service provider to the financial services sector undertake certain compliance obligations. If we were to become directly subject to financial service regulations or if the third-party risk management requirements applicable to us were to change, our business model may need to be substantially altered and we may not be able to continue to operate our business as it is currently operated. Failure by us, or any of our customers, to comply with applicable laws and regulations could have a material adverse effect on our business, financial position and results of operations.

Other Regulations

In addition, HUB is subject or might be subject to laws and regulations relating to antitrust, competition, intellectual property, 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.

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 Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report. 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 material subsidiaries as of April 30, 2026, 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 Software Ltd.	Israel
ALD College Ltd.	Israel
Qpoint Technologies Ltd.	Israel
QPoint Solutions Ltd.	Israel
Sensecom Consulting & Project Management Ltd.	Israel
Aginix Engineering & Project Management Ltd.	Israel
Comsec Ltd.	Israel
Comsec International Information Security B.V.	The Netherlands
BlackSwan Technologies, Inc.	Delaware, United States
BlackSwan Technologies GmbH	Germany

D. Property, Plants and Equipment

Our principal facility is located in Or Yehuda (near Tel Aviv), Israel, which consists of approximately 1,600 square meters (approximately 17,222 square feet) of leased office space. This facility currently accommodates our professional services division, with the remainder of our employees working on a fully remote basis. The lease for this facility expires in March 2028, with an option to extend the lease for an additional five years beyond the current term. HUB also currently leases offices in the Netherlands. 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, 2024 compared to the year ended December 31, 2023 has been reported previously in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024, filed with the SEC on May 1, 2025 under the section entitled "Item 5—Operating and Financial Review and Prospects," and is incorporated herein by reference.

Overview

In 2025, HUB focused on two symbiotic lines of business: (1) the Products and Technology division – secured data fabric and confidential computing; and (2) the Professional Services division – cyber security and other technology services.

Products and Technology Division

- HUB's Products and Technology division focuses on research and development of HUB's products and solutions.
- HUB's product solutions were marketed and licensed directly to banks, financial services, government agencies, defense organizations, research institutions and large enterprises.
- We recorded a significant impairment of this division as of December 31, 2025, for the secured data fabric business, which ceased operations in June 2026.

Professional Services Division

The Professional Services division is comprised of services performed by Comsec, QPoint and certain ALD activities.

- ALD provides quality control in complex engineering projects and ensuring smooth and reliable execution in mission critical processes.
- 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.
- QPoint provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Its team of over 145 engineers provides advanced technological expertise, offering readily available and professional solutions to leading Israeli companies and organizations.

Management, Sales, and Distribution

- HUB's Management, Sales, and Distribution team oversees marketing, sales, and related commercial activities to advance and support the distribution of HUB's product solutions and services.
- They oversee strategic planning, resource allocation, and operational execution to align our goals with market demands and ensure sustainable growth.
- This team drives revenue by identifying customer needs, closing deals, and ensuring effective delivery and support of software products through various channels.

Our Operations

In 2025, we operated in several countries and provided innovative cybersecurity computing appliances, secured data fabric services as well as cybersecurity and reliability, availability, maintainability and safety (RAMS) professional services. Our zero trust confidential computing product 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.

Since 2021, HUB has completed four acquisitions of cybersecurity consulting services and distribution companies – ALD, Comsec, QPoint and BST. This provided HUB with an established and trusted customer base, including governmental agencies and enterprises that were expected to be prime targets for its data fabric and confidential computing solutions.

We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment on the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business.

On June 26, 2026, we entered into securities purchase agreements (each, a "Purchase Agreement" and, collectively, the "Purchase Agreements") with certain holders (each, a "Seller" and, collectively, the "Sellers") of senior subordinated convertible notes (the "Evofem Notes") of Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), and of certain purchase rights to acquire securities of Evofem (the "Purchase Rights"). Pursuant to the Purchase Agreements, the Company agreed to purchase from the Sellers all of their respective Evofem Notes and Purchase Rights, free and clear of liens, in exchange solely for the issuance of equity securities of the Company as described below. For more information, see "*Item 4.A – Information on the Company – History and Development of the Company – Recent Developments*."

Evofem is a commercial-stage biopharmaceutical company with two innovative women's health products: (i) PHEXX®, a non-hormonal prescription contraceptive vaginal gel and (ii) SOLOSEC®, a single-dose oral antimicrobial agent for the treatment of two common sexual health infections – bacterial vaginosis (BV) and trichomoniasis.

In July 2026, we entered into a promissory note with Evofem pursuant to which we provided a loan to Evofem in the principal amount of $706,304, bearing interest of 12% per annum, compounded monthly. The loan matures 11 months from the effective date, unless accelerated due to an event of default. The loan included an administration fee equal to 2% of the total loan amount, due on the effective date and a weekly monitoring fee of $2,000, accruing from the effective date and payable on the maturity date. Evofem is entitled to use the proceeds of the loan exclusively for making payments to its suppliers for the manufacture, production, and distribution of its products, PHEXX and SOLOSEC.

The Evofem transaction is the latest milestone in a comprehensive restructuring that the Company has implemented, during which the Board and management team have taken steps to improve liquidity, simplify the Company's organizational structure, cut operating costs and strengthen corporate governance.

As part of this plan, the Company has substantially reduced operating expenses, eliminating many external consultants and contractors and reducing headcount solely at the HUB level by approximately 50%. During May and June 2026, we executed a targeted workforce reduction of approximately 10% of all our employees or full-time employee equivalents in order to improve our operational efficiency. Most of the reduction was related to the cessation of activities in the BST business.

The Company has also engaged Deloitte to support its restructuring efforts, operational improvements and financial planning as it works to strengthen its balance sheet. Additionally, the Board continues to explore various strategic alternatives intended to maximize value for shareholders and position HUB for future growth. The Company believes the Evofem transaction reflects a first step in a disciplined approach to pursuing strategic opportunities while preserving liquidity.

Basis of presentation

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").

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. We recently expanded our data security services into Trust Rails, the framework that allows institutions to enforce control, auditability and compliance across interactions between systems.

(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 chairperson of the board, acting as principal executive, 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, 2025, HUB's annual revenue increased by 7% from $29.6 million for the year ended December 31, 2024 to $31.7 million for the year ended December 31, 2025.

HUB achieved a gross retention rate of 90% and 87% as of December 31, 2024 and 2025, respectively, for customers who generated over $27.7 million revenues over the trailing 12 months.

Impact of Acquisitions

HUB has historically grown through selected acquisitions and, in addition to efforts to grow its confidential computing business organically, it acquired parallel technology like BST's secured data fabric. HUB's results of operations have been, and are expected to continue to be, affected by such acquisitions. We are currently conducting an evaluation process of potential strategic opportunities, with the goal of enhancing value for our shareholders.

On February 28, 2021, HUB TLV and ALD entered into a merger agreement, pursuant to which HUB TLV became a wholly owned subsidiary of HUB and the shareholders of HUB TLV owned 51% of HUB's issued and outstanding share capital. The transaction was completed on June 21, 2021. According to IAS36, we perform an impairment test each to ensure that the net book value of the assets are recoverable. If enterprise value is lower compared to the carrying amount of the business unit, then an impairment entry must be recorded. We have used third party evaluation services to perform impairment tests since December 31, 2023, where the profit and loss approach was selected, based on five parameters: depreciation and amortization, capital expenditures, investment in working capital, weighted average cost of capital and sensitivity analysis. The outcome of this analysis has been reflected in our financial statements. Since ALD will not generate cash flow as expected, it has a negative affect on the cash flow of the Company and its subsidiaries. To mitigate and address this risk, the Company focuses on two main areas: (1) seeking new business opportunities in the overall services arena and (2) exploring and evaluating additional capital investments that will result in positive cash flow impact.

On September 27, 2021, HUB entered into an agreement for the purchase of the entire issued and outstanding share capital of Comsec Ltd. ("Comsec"). Comsec provides cybersecurity consulting, design, testing and control services and sells data security and cybersecurity software and hardware solutions. The purchase price of this acquisition was NIS 70 million and the transaction was completed on November 17, 2021. Since December 31, 2023, Comsec's distribution activity has been classified as a "discontinued operation" under IFRS 5, "*Non-current Assets Held for Sale and Discontinued Operations*." As a result, the performance presentation for this activity is separate from the ongoing business, which does not have a direct impact on the operating results and cash flow.

In May 2022, HUB entered into an asset purchase agreement with Legacy Technologies GmbH ("Legacy"), a European cyber firm with 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 transaction was completed on July 5, 2022. In fiscal year 2022, HUB recorded an impairment loss of $8,738 thousand for the assets acquired from Legacy, due to the fact that revenue was not recognized or that HUB had not acquired new customers from Legacy's assets. As a result, HUB concluded that such assets were no longer viable and would not generate economic benefits in future.

On April 3, 2024, HUB acquired the shares of QPoint that it did not yet own at that time, constituting 53.5% of QPoint's outstanding shares for NIS 25,000,000 in cash. This acquisition was 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 clients, including renowned brands, such as Rafael Advanced Defense Systems, the Israel Airport Authority and the Ministry of Defense of Israel.

In November 2023, HUB began to collaborate with BST with the goal of becoming a significant player in the secured data fabric industry, and on January 27, 2025, HUB consummated a merger agreement with BST resulting in BST and its subsidiaries becoming subsidiaries of HUB. As a result of the acquisition, HUB issued to BST equity holders 197 ordinary shares and pre-funded warrants to purchase 44 ordinary shares of HUB. The exercise of the pre-funded warrants is limited to the extent that, upon exercise, the holder and its affiliates would hold more than 4.99% of HUB's outstanding ordinary shares. The ordinary shares issued in the transaction are also subject to transfer restrictions. HUB accounted for the transaction as an asset acquisition rather than a business combination. The acquired asset was initially recognized at a cost of $43 million. Following an impairment assessment performed in accordance with IAS 36 Impairment of Assets, the asset was fully amortized as of December 31, 2025. We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this business.

Innovation

HUB may continue to invest in research and development to maintain solution differentiation and grow the community of large enterprise customers. In the short-term, HUB may make continual investments in upgrading technology to continue providing customers a reliable and effective solution.

For the year ended December 31, 2025, HUB's research and development expenses as a percentage of revenue were approximately 8.7%.

Investment in Growth

Although HUB currently has limited cash resources, it may make significant investments in the future in order to execute potential new strategic opportunities, with the goal of enhancing value for its shareholders, thereby prioritizing long-term growth over short-term profitability.

As a result, sales and marketing expenses may increase on an absolute basis in future periods, which would be expected to 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, 2025, sales and marketing expenses as a percentage of revenue were approximately 32%.

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. 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, net

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. 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 and outsourcing, as well as impaired costs associated with intangible assets (including the full amortization of BST).

Additionally, we expect to continue to incur significant 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 consist 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 consist 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 were 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, 2025 and 2024. 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.

	Year ended December 31,			%
	2025	2024	Change	Change
	(In $ thousands)	(In $ thousands)	(In $ thousands)	
Revenue	31,662	29,562	2,100	7.1%
Cost of Revenue	26,372	24,515	1,857	7.6%
Gross Profit	5,290	5,047	243	4.8%
Research and development expenses, net	2,745	2,002	743	37.1%
Sales and marketing expenses	10,200	4,182*	6,018	143.9%
General and administrative expenses	66,724	24,905*	41,819	167.9%
Other expenses, net	(4,094)	181	(4,275)	(2,362)%
Operating loss	(70,285)	(26,223)	(44,062)	168%
Financial income	(2,227)	(2,220)	(7)	0.2%
Financial expenses	49,248	12,586	36,662	291.3%
Loss before taxes on income	(117,306)	(36,589)	(80,717)	220.6%
Taxes on income	743	557	186	33.4%
Net loss from continuing operation	(118,049)	(37,146)	(80,903)	217.8%
Net income (loss) from discontinued operation	(1,741)	(1,885)	(144)	7.6%
Total net loss	(119,790)	(39,031)	(80,759)	206.9%

* Expenses related to the Company's public listing and capital raising activities in 2024 were reclassified from sales and marketing expenses to general and administrative expenses.

Comparison of the Years Ended December 31, 2025 and 2024

Revenue

Revenue was $31,662,000 and $29,562,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $2,100,000 or 7.1%, for the year ended December 31, 2025, compared to 2024.

The increase in revenues was mainly due to the professional services division, as the Company entered into new contracts with customers from the governmental sector.

The table below sets forth a breakdown of HUB's revenue by customer location for the years ended December 31, 2025 and 2024.

	Year ended December 31,		Change	Change %
	2025	2024		
	(In $ thousands)	(In $ thousands)		
Israel	28,141	27,808	333	1.2%
America	234	699	(465)	(66.5)%
Europe	2,855	1,055	1,800	170.6%
Asia Pacific	432	-	432	100%
Total	**$ 31,662**	**$ 29,562**	2,100	7.1%

Cost of Revenue

Cost of revenue was $26,372,000 and $24,515,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $1,857,000 or 7.6% for the year ended December 31, 2025, compared to 2024.

The increase was mainly due to an increase in headcount which resulted in an increase in payroll and payroll related expenses.

Gross Profit

Gross profit was $5,290,000 and $5,047,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $243,000 or 4.8%, for the year ended December 31, 2025, compared to 2024. The increase was mainly due to entry into new contracts signed during 2024 with higher profitability that continued and expanded into 2025.

Research and Development Expenses, net

Research and development expenses, mainly attributed to the Product and Technology Segment, were $2,745,000 and $2,002,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $743,000 or 37.1% for the year ended December 31, 2025, compared to 2024. The increase was mainly due to higher consulting fees in the amount of $228,000, share based compensation expenses of $174,000, and additional headcount resulting in an increase of $136,000, partially offset by a decrease of $86,000 from settlements with former employes reached during 2025.

Sales and Marketing Expenses

Sales and marketing expenses were $10,200,000 and $4,182,000,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $6,018,000 or 143.9% for the year ended December 31, 2025, compared to 2024. The increase was mainly due to impairment of an intangible asset related to a customer relationship of $3.1 million and an additional increase in consulting activities resulting in an increase of $3 million. Expenses related to the Company's public listing and capital raising activities in 2024 were reclassified from sales and marketing expenses to general and administrative expenses.

General and Administrative Expenses

General and administrative expenses were $66,724,000 and $24,905,000 for the years ended December 31, 2025 and 2024, respectively, an increase of $41,819,000 or 167.9% for the year ended December 31, 2025, compared to 2024. The increase was mainly attributable to an increase resulting from a $43,554,000 impairment loss and an $11,000,000 class action settlement expense, partially offset by approximately $9,800,000 related to the settlement arrangement with Oppenheimer & Co., a decrease of approximately $3,761,000 in consulting expenses in connection with the settlement arrangement with A-Labs and a decrease in the Company's public listing and capital raising activities resulting in a decrease of $1,000,000. Expenses related to the Company's public listing and capital raising activities in 2024 were reclassified from sales and marketing expenses to general and administrative expenses.

Other Expenses, net

Other expenses, net were an income of $4,094,000 and expenses of $181,000 for the years ended December 31, 2025, and 2024, respectively, an increase of $4,275,000, or 2,362% for the year ended December 31, 2025, compared to 2024. The increase was mainly due to the divestment of BlackSwan "held for sale" entities during the second half of 2025.

Financial Income and Finance Expenses

Financial expenses were $49,248,000 and $12,586,000 for the years ended December 31, 2025, and 2024, respectively, and financial income was $2,227,000 and $2,220,000 for the years ended December 31, 2025, and 2024, respectively, resulting in a net increase of $36,655,000 of finance expenses for the year ended December 31, 2025, compared to 2024. The increase is primarily attributed to convertible components measurement, warrants measurement and interest expenses recorded in 2025 compared to 2024.

Taxes on Income

Taxes on income were $743,000 and $557,000 for the years ended December 31, 2025, and 2024, respectively. This increase in tax expense was primarily derived from receipt of a final tax assessment related to prior years in the professional services segment.

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			
	2025	2024	Change	% Change
	(in $ thousands)			
Revenue				
Product and Technology Segment [1]	1,439	1,039	400	38%
Professional Services Segment [2]	30,223	28,523	1,700	6%
Total	**$ 31,662**	**$ 29,562**	2,100	7%

(1) The Product 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 and also from customer identity products derived from BlackSwan's technology.

(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.

	Year ended December 31			
	2025	2024	Change	% Change
	(in $ thousands)			
Segment results (operating loss)				
Product and Technology Segment	(11,660)	(9,137)	(2,523)	28%
Professional Services Segment	(58,625)	(17,086)	(41,539)	243%
Total	**$ (70,285)**	**$ (26,223)**	(44,062)	168%

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 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,			%
	2025	2024	Change	Change
	(In $ thousands)			
Net loss from continuing operation	$ (118,049)	$ (37,146)	(80,903)	218%
Adjusted EBITDA	$ (21,220)	$ (18,912)	(2,308)	10.9%

Adjusted EBITDA decreased in the year ended December 31, 2025, primarily due to significant growth in operational costs across all of our business (see analysis below).

	Year ended December 31,			%
	2025	2024	Change	Change
	(In $ thousands)			
Net loss	$ (118,049)	$ (37,146)	(80,903)	218%
Financial income[(1)]	(2,227)	(2,220)	(7)	0.3%
Financial expenses[(1)]	49,248	12,586	36,662	291%
Taxes on income	743	557	186	33%
Depreciation and amortization[(2)]	1,896	2,379	(483)	(20)%
Share-based compensation expense[(3)]	3,189	2,070	1,119	54%
One time cost[(4)]	(2,704)	2,209	(4,913)	(222)%
Impairment of goodwill and intangibles[(5)]	46,684	653	46,031	7,049%
Adjusted EBITDA	$ (21,220)	$ (18,912)	$ (2,308)	10.9%

1. Represents mainly financial expenses, net, which were recorded in connection with convertible loans and warrants issued during 2024 and 2025.

2. Represents the amortization of the intangible assets as well as recurring depreciation of company's fixed assets.

3. Represents non-cash share-based compensation expenses.

4. The increase in one-time costs was primarily driven by an $11 million provision recorded in connection with the U.S. class action settlement, partially offset by a reversal of the Oppenheimer provision in the amount of $9.8 million and a gain from loss of control in subsidiaries in the amount of $4.6 million.

5. Represents impairment of other intangibles, primarily for the BST technology asset.

B. Liquidity and Capital Resources

Going Concern

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.

As of December 31, 2025, HUB's cash and cash equivalents were approximately $1,763,000. 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 expenses and 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 will need to seek additional equity or debt financing from outside sources, and 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, we face significant uncertainty regarding the adequacy of our liquidity and capital resources and our ability to repay our obligations as they become due. We generate negative cash flow, require constant and immediate cash injections to continue to operate, and are failing to meet obligations as they become due, including financial debt, suppliers' debts and other ordinary course operational 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 defaults under certain loans, payments due to our debt holders, vendors and service providers and government duties, which resulted in a seizure being placed on certain of our bank accounts. During certain periods in 2024 and 2025, we were unable to make required deposits in employee pension and severance funds, which were later paid and settled and payments due for certain periods in 2025 and 2026 were paid in June 2026. Furthermore, we have been unable to fully pay required withholding taxes on employee compensation payments and government fees. Certain of our subsidiaries also did not make timely tax filings with the ITA for several years. 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.

The significant uncertainty regarding our liquidity and capital resources and 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. 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 have 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 business, financial condition, results of operations and growth prospects.

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. 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 2026 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.

We expect to use any such proceeds for general corporate and working capital purposes, which would increase our liquidity, but our ability to fund our operations is not dependent upon receipt of cash proceeds from the exercise of the warrants. We believe the likelihood that warrant holders will exercise their warrants, and therefore the amount of cash proceeds that we would receive, is dependent upon the market price of our ordinary shares. If the market price for our ordinary shares is less than the respective prices of the warrants, we believe warrant holders will be unlikely to exercise their warrants.

See "—Financings" below for more details on our recent efforts to fund operating activities.

The Company believes that its available cash will not be sufficient to meet its current obligations for a period of at least twelve months from the date of the filing of this Annual Report. Accordingly, the Company has concluded there is substantial doubt about its ability to continue as a going concern.

Material Cash Requirements

The table below summarizes certain material cash requirements as of the year ended December 31, 2025 that will affect HUB's future liquidity. HUB plans to utilize its liquidity and cash flows from business operations, including investments, to fund its material cash requirements.

	2025	2026	2027	2028	2029	Thereafter	Total
	Total (in thousands)						
Loans from bank	5,607	-	-	-	-	-	5,607
Loans from others	8,376	-	-	-	-		8,376
Lease liabilities	1,155	569	139	-	-	-	1,863
Liabilities for government grants	288	43	39	36	32	119	557
Total	$ 15,426	$ 612	$ 178	$ 36	$ 32	$ 119	$ 16,403

Cash Flows Summary

The following table shows a summary of HUB's cash flows for the years ended December 31, 2025 and 2024.

	Year ended December 31,			%
	2025	2024	Change	Change
	(In thousands)			
Net cash provided by / (used in):				
Net cash used in operating activities	$ (31,398)	$ (17,110)	(14,288)	84%
Net cash provided by / (used in) investing activities	(133)	(452)	319	(71)%
Net cash provided by financing activities	25,343	17,176	8,167	47.55%
Exchange rate differences on cash and cash equivalents	4,866	(51)	4,917	(9,641)%
Net (decrease) in cash and cash equivalents	**$ (1,322)**	**$ (437)**	$ (885)	203%

Cash Flows Used in Operating Activities

Net cash used in operating activities was $31,398,000 for the year ended December 31, 2025, reflecting a net loss of $119,790,000 and non-cash adjustments of $95,076,000, which primarily consists of intangible assets and goodwill impairment in an aggregate amount of $44,741,000, finance expenses related to convertible loans and warrants in an aggregate amount of $31,079,000, issuance of shares in an aggregate amount of $6,408,000, share-based compensation expenses in an aggregate amount of $2,693,000 and depreciation and amortization in an aggregate amount of $1,896,000. In addition, decreases in asset and liability items in 2025 were $5,377,000, which was primarily affected by an increase other accounts payable in the amount of $4,034,000.

Net cash used in operating activities was $17,110,000 for the year ended December 31, 2024, reflecting a net loss of $39,031,000 and non-cash adjustments of $16,615,000 which primarily consists of finance expenses related to convertible loans and warrants in an aggregate amount of $7,227,000, issuance of shares in an aggregate amount of $2,420,000, share-based compensation expenses in an aggregate amount of $2,070,000, intangible assets and goodwill impairment in an aggregate amount of $653,000 and depreciation and amortization in an aggregate amount of $2,379,000. In addition, changes in asset and liability items in 2024 were $8,810,000, which was primarily affected by an increase in other accounts payable in the amount of $7,776,000.

Cash Flows Used in Investing Activities

Net cash used in investing activities was $133,000 for the year ended December 31, 2025, compared to $452,000 for the year ended December 31, 2024, resulting in a decrease of $319,000. The decrease was primarily due to withdrawal (investment) from a restricted bank deposit in the amount of $157,000.

Cash Flows Provided by Financing Activities

Cash flows provided by financing activities primarily relate to proceeds from issuances of shares, short-term credit 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 $25,343,000 for the year ended December 31, 2025, compared to $17,176,000 for the year ended December 31, 2024, an increase of $8,167,000. The increase was primarily due to an increase in receipt of short-term loans in an amount of $6,342,000.

Loans

HUB PrivCap Funding Loan and Settlement

On February 21, 2025, HUB entered into a loan agreement (the "PrivCap Loan") with PrivCap Funding, LLC. The PrivCap Loan provided for a $175,000 principal amount with a total repayment obligation of $235,000 (including interest and fees) due by March 1, 2025. The loan proceeds were used to engage Sideways Frequency LLC for marketing services. The PrivCap Loan provided that if full repayment was not received by March 17, 2025, HUB would transfer 31 unrestricted ordinary shares at $7,500 per share to PrivCap Funding on March 18, 2025, with a $2,000 per day penalty for any delay in share transfer.

In connection with the PrivCap Loan, HUB modified existing warrants previously issued to Daniel Cohen under Securities Purchase Agreements dated December 20, 2023 and January 9, 2024. Effective February 15, 2025, the aggregate exercise price under these warrants was increased to $1,200,000, with an exercise price of $7,500 per share. Additionally, HUB issued 13 new warrants to Jamie Goldstein under the same terms, exercisable at $7,500 per share.

On August 6, 2025, HUB entered into a settlement agreement with PrivCap Funding and Daniel Cohen (collectively, "PrivCap") to resolve all obligations under the PrivCap Loan through an equity settlement. Under the settlement agreement, HUB agreed to transfer 6 unrestricted ordinary shares to PrivCap by August 22, 2025, provided the stock price is at least $41,250 per share on the transfer date. If the share price falls below $41,250 per share, HUB must transfer additional shares to ensure the total value equals no less than $275,000. The settlement agreement includes a penalty of 1 additional share per day for any delay beyond the August 22, 2025 deadline. Upon completion of the share transfer, all parties release claims related to the original loan agreement. On August 21, 2025, Hub issued 7 ordinary shares to PrivCap pursuant to the aforementioned settlement agreement.

HUB Agile Capital Loan

On April 29, 2025, HUB entered into a Business Loan and Security Agreement (the "Agile Loan") with Agile Capital Funding, LLC (as Collateral Agent), Agile Lending, LLC (as Lead Lender), and other lenders. The Agile Loan provided for a $2,000,000 term loan, including a $200,000 administrative agent fee, resulting in net proceeds of $1,800,000 to HUB. The total repayment amount, including interest and fees, is $2,980,000. The loan matures 30 weeks from the effective date with weekly repayment scheduled throughout the term which has not yet been fully satisfied. Interest accrues from the effective date until paid in full, with a default rate of 5% above the applicable rate upon an event of default. HUB agreed to secure the Agile Loan by a continuing security interest in substantially all of HUB's property, rights, and assets, including accounts, equipment, inventory, intellectual property, and shares in HUB Cyber Security, Inc. and BlackSwan Technologies, Inc.

The Agile Loan contains various customary covenants and includes negative covenants that restrict HUB from disposing of business or property, changing key management (Noah Hershcoviz and Lior Davidsohn). Events of default include payment defaults, covenant breaches, material adverse changes, insolvency, and judgments exceeding $50,000.

As of the date of this Annual Report, the Agile Loan was fully repaid under the August 2025 Notes. See "Financings – August 2025 Financing" below.

HUB Mizrahi Loans

In December 2024, Comsec Ltd. and Bank Mizrahi entered into a debt settlement agreement concerning the restructuring of the overall outstanding debt of Comsec Distribution Ltd. Pursuant to the settlement agreement, the parties agreed that the outstanding debt amount of NIS 23 million will be repaid over 24 months with quarterly installments, commencing on June 30, 2025. Interest will accrue at a rate of Prime (Bank of Israel intrabank plus 1.5%) plus 3.25%. In addition, Bank Mizrahi agreed to waive any claims or objections regarding the debts, interest rates, or associated banking charges. Bank Mizrahi reserves the right to demand immediate repayment if the debtors breach the settlement agreement or if significant events occur that cast doubt on the debtors' ability to meet obligations.

The debt settlement agreement with Bank Mizrahi replaced the following loans, which were outstanding prior to the settlement date:

1. Loan date July 6, 2020: Originally NIS 5,000 thousand ($1,452 thousand), bearing interest of Prime + 1.5%.

2. Loan dated September 1, 2021: Originally NIS 980 thousand ($309 thousand), bearing interest of Prime + 1.5%.

3. Loan dated September 1, 2021: Originally NIS 6,000 thousand ($1,934 thousand), bearing interest of Prime + 1.95%.

4. On-call Loans: Aggregate principal amount of NIS 34,106 thousand, bearing interest of 8.1%.

As of December 31, 2025, the remaining principal amount is NIS 14,598 thousand ($4,576 thousand).

QPoint Loans

On-call loans received by QPoint, in an aggregate principal amount of NIS 3,400 thousand ($1,066 thousand). The loan bears interest of Prime + 1.1%. As of December 31, 2025, the remaining principal amount is $1,066 thousand.

Aginix Loans

On July 19, 2024, Aginix Engineering and Project Management Ltd. ("Aginix"), a wholly-owned subsidiary of QPoint, received a loan from Bank Hapoalim, with an original principal amount of NIS 1,200 thousand ($334 thousand), which was repayable in 12 installments beginning in August 2024. The loan bears interest of 7%. As of December 31, 2025, the loan was fully repaid.

On December 31, 2024, Aginix received a loan from Bank Hapoalim, with an original principal amount of NIS 500 thousand ($137 thousand), which was repayable in 12 installments beginning in January 2025. The loan bears interest of 6.5%. As of December 31, 2025, the loan was fully repaid.

During 2025, Aginix received several loans aggregating to approximately NIS 2,800 thousand ($878 thousand), bearing an annual interest rate of approximately 7%. The loans are repayable through monthly installments of principal and interest. As of December 31, 2025, the outstanding balance of these loans amounted to approximately NIS 1,525 thousand ($478 thousand).

BlackSwan Loans

Following the merger with BlackSwan on January 27, 2025, BlackSwan had two outstanding loans.

On August 9, 2022, BlackSwan received a loan from Yossi Lahav Consultants, with an original principal amount of $1,500 thousand. The loan bears accrued fixed interest of $750 thousand. BlackSwan did not meet the repayment terms of this loan. On June 4, 2024, Yossi Lahav Consultants filed a claim against BlackSwan and others for failure to meet the repayment terms and for related damages. For further details, see Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

On September 8, 2022, BlackSwan received a loan from A-Labs Consultants with an original principal amount of $200 thousand. The loan bears, bearing accrued interest of approximately 2.42%. As of the date of this Annual Report, this loan has not yet been repaid.

Financings

August 2025 Financing

On August 27, 2025, we entered into a securities purchase agreement (the "August 2025 SPA") providing for the issuance of subordinated convertible notes (the "August 2025 Notes") to certain accredited investors, including Keystone, in the aggregate original principal amount of up to $20,000,000 to be issued in multiple closings. Closings under the August 2025 SPA can be held over a period of one year at the election of Keystone.

The notes issued in June 2025 (see "—*June 2025 SPA*") resulted in aggregate cash proceeds of $3,625,000 and in the exchange of notes issued by us in March and April 2025 in the aggregate principal amount of $2,187,500.

At the initial closing of the August 2025 SPA, we issued August 2025 Notes in the aggregate original principal amount of $7,850,000 for an aggregate purchase price of $7,000,000 in cash and in the exchange of the notes that we issued previously to investors in June 2025. In addition, the Company issued warrants to purchase 90 ordinary shares.

In the first additional closing under the August 2025 SPA, held on September 4, 2025, the Company issued and sold Amended Notes in the aggregate principal amount of $2,968,750 and warrants to purchase an aggregate of 34 ordinary shares, in consideration for cash payments in the aggregate amount of $2,375,000, under the same terms as the initial closing.

The August 2025 Notes mature on August 27, 2027 and bear interest at 4% per annum, payable quarterly in ordinary shares under certain equity conditions (including the effectiveness of a resale registration statement) or, at the Company's option, in cash. Late payments accrue interest at an additional premium of 8% per year. No scheduled amortization payments are required.

The August 2025 Notes are subordinated to existing senior indebtedness not to exceed $25 million in aggregate. They contain various restrictive covenants, including limitations on dividends, incurrence of indebtedness, certain subsequent equity placements, asset sales and certain variable rate transactions.

The August 2025 Notes are convertible into ordinary shares at the option of the holders at an initial conversion price of $43,200 per share, subject to anti-dilution adjustments for certain dilutive issuances. Holders may elect an alternate conversion price at the lower of the fixed conversion price or 95% of lowest VWAP during the five days up to and including the date of conversion, subject to a $15,000 floor price. If such conversion price is lower than the floor price, the Company would be required to pay the balance in cash.

The August 2025 Notes contain several mandatory and optional redemption provisions. Holders also have optional redemption rights in respect of financings pursuant to equity lines of credit and at-the-market offerings, allowing them to require redemption of up to their pro-rata portion of 30% of net proceeds from eligible transactions at a 110% of the redemption amount. Holders also have the right to exchange their August 2025 Notes for the securities issued in a subsequent placement, at a 10% discount. The Company has the right to redeem all a portion of the August 2025 Notes, from time to time, at 120% of the conversion amount.

On October 15, 2025, the Company and certain accredited investors, including Keystone, entered into Amendment No. 1 to the August 2025 SPA increasing the aggregate principal amount of notes issuable thereunder to $35,000,000, adding additional investors and amending the form of note as described below (the "Amended Note").

In the second additional closing under the August 2025 SPA, held on October 16, 2025, the Company issued and sold Amended Notes in the aggregate principal amount of $20,525,625 and warrants to purchase an aggregate of 237 ordinary shares, in consideration for (i) cash payments in the aggregate amount of $7,250,000 with the principal amount of $10,019,374, (ii) the partial exchange of August 2025 Notes in the aggregate principal amount of $9,568,751 (at a 10% discount) and (iii) the exchange of $750,000 owed under the Company's Business Loan and Security Agreement (the "Agile Loan") with Agile Capital Funding, LLC (as Collateral Agent) and Agile Lending, LLC (as Lead Lender), dated April 29, 2025, with a new principal amount of $937,500.

On December 31, 2025, the Company held an additional closing under the August 2025 SPA in the aggregate principal amount of $1,250 thousand, for an aggregate purchase price of $1,000 thousand and warrants to purchase an aggregate of 14 ordinary shares. On December 31, 2025, the Company and certain accredited investors, including Keystone, entered into Amendment No. 2 to the August 2025 SPA, increasing the aggregate principal amount of notes issuable thereunder to $47,250,000.

As of December 31, 2025, a total amount of $11,625 thousand was received in cash and $1,500 thousand were converted into 100 ordinary shares.

The Amended Notes have a term of two years from the date of issuance thereof. They do not bear interest, except during the pendency of an event of default, in which case the rate will be 9% per year. Late payments accrue interest at an additional premium of 8% per year. Commencing approximately 30 days after the effectiveness of the Company's Form F-1 for an equity line of credit, the Company will be required to repay a pro rata portion of the principal and interest accrued thereon on the first trading day of each calendar month, in cash or shares (subject to equity conditions) at its election.

The Amended Notes are subordinated to existing senior indebtedness not to exceed $25 million in aggregate. They contain various restrictive covenants, including limitations on dividends, incurrence of indebtedness, certain subsequent equity placements, asset sales and certain variable rate transactions.

The Amended Notes are convertible into ordinary shares at the option of the holders at an initial conversion price of $43,200 per share, subject to anti-dilution adjustments for certain dilutive issuances. Holders may elect an alternate conversion price at the lower of the fixed conversion price or 90% of lowest VWAP during the 20 days up to and including the date of conversion, subject to a $15,000 floor price (or 20% of the Nasdaq minimum price if there's an event of default). If such conversion price is lower than the floor price, the Company would be required to pay the balance in cash.

The Amended Notes contain several mandatory and optional redemption provisions. Holders also have optional redemption rights in respect of financings pursuant to equity lines of credit and at-the-market offerings, allowing them to require redemption of up to their pro-rata portion of 30% of net proceeds from eligible transactions at a 110% of the redemption amount. Holders also have the right to exchange their Amended Notes for the securities issued in a subsequent placement, at a 10% discount. The Company has the right to redeem all a portion of the Amended Notes, from time to time, at 120% of the conversion amount.

In change of control transactions (with control defined based on a 50% threshold), holders may require redemption at 115% of the conversion amount. Holders also have participation rights in future financings, with the right to purchase their pro-rata portion of 30% of any subsequent placement exceeding $5,000,000 in the aggregate.

Upon events of default (including registration statement failures, trading suspensions, conversion failures, or material breaches), holders may require redemption at 120% of the conversion amount. Upon any bankruptcy event of default, the Company must immediately pay all outstanding amounts multiplied by a 120% redemption premium without requiring notice or demand from holders.

The August 2025 Warrants have an initial exercise price of $54,000 per share, subject to decrease on days 30, 60 and 90 following the issuance date to 20% below the prevailing market price at that time and to anti-dilution adjustments for certain dilutive issuances. The August 2025 Warrants have a term of three years. Cashless exercise is permitted after six months if a resale registration statement is not effective. In connection with a "fundamental transaction," the holder has the right to exchange its warrant for a similar warrant in the successor entity or cash pursuant to a Black-Scholes formula. Upon an event of default, the holder has the right to redeem its warrant for cash based on a Black-Scholes formula.

The August 2025 Notes, the Amended Notes and the August 2025 Warrants are subject to a beneficial ownership limitation of 4.99% (subject to increase to 9.99% with 61-day notice and shareholder approval) to prevent any holder from exceeding this threshold. We are required to reserve 200% of the shares issuable upon conversion of all August 2025 Notes, Amended Notes and August 2025 Warrants at the applicable conversion price or exercise price.

Concurrently with the entry into the August 2025 SPA, we entered into a registration rights agreement, whereby we undertook to file with the SEC a Form F-1 registration statement within 45 days from the initial closing in order to register for resale the shares issuable upon the conversion and/or exercise of the August 2025 Notes and August 2025 Warrants and the Placement Agent Warrant (as defined below) and to use our reasonable best efforts to cause the registration statement to be effective within 90 days from the initial closing (or 120 days in the event of a full SEC review). The same rights apply with respect to the shares issuable upon conversion of the Amended Notes. The registration rights agreement provides for liquidated damages for certain defaults equal to 1% of the original principal amount of the August 2025 Notes for each 30-day period until the default is cured, up to an aggregate of 10% thereof. The registration rights agreement contains other customary terms and conditions, including indemnification obligations.

Rodman & Renshaw LLC acted as sole placement agent for the offering. The fees of the placement agent consisted of a total of $300,000 in cash and the issuance of a warrant to purchase an aggregate of 1 ordinary share on the same terms and conditions as the warrants issued to investors in the offering, except for the potential adjustment of the exercise price on days 30, 60 and 90.

June 2025 SPA

On June 30, 2025, we entered into a securities purchase agreement (the "June 2025 SPA") providing for the issuance of subordinated convertible notes (the "June 2025 Notes") to certain accredited investors, including Keystone, in the aggregate original principal amount of $6,719 thousand. At the closing, we received an aggregate purchase price of $3,625 thousand in cash and the exchange of the notes that we issued previously to investors in March and April 2025 in the aggregate principal amount of $2,187 thousand. The June 2025 Notes issued in consideration for cash were issued with a 20% original issue discount, and the June 2025 Notes issued in consideration for our outstanding notes were issued on a dollar-for-dollar basis. Out of the June 2025 Notes $6,000 thousand were subsequently exchanged for new notes issued under the August 2025 SPA. As of December 31, 2025, a total amount of $3,625 thousand was received in cash.

March 2025 Notes

On March 27, 2025, the Company completed the issuance of a series of notes (the "March 2025 Notes") to certain investors, including Keystone Capital Partners, LLC as the lead investor ("Keystone" and collectively with the other investors, the "March 2025 Note Investors"), in an aggregate principal amount of $1,625,000 and original issue discount of $325,000, for an aggregate purchase price of $1,300,000. The March 2025 Notes originally matured on December 11, 2025, did not bear interest, and included a prepayment option at a premium of 125%. In addition, the Company was required to use the cash proceeds deriving from a financing in which it receives proceeds of at least $10 million to repay the March 2025 Notes.

The March 2025 Note Investors had the right to convert the principal amount into ordinary shares of the Company upon the occurrence of a subsequent equity financing pursuant to which the Company receives at least $5 million, subject to certain conditions.

The conversion of the March 2025 Notes was limited to the extent that, upon their conversion, a March 2025 Note Investor and its affiliates would in aggregate beneficially own more than 4.99% of the Company's outstanding share capital at any time. The March 2025 Notes were exchanged with the June 2025 SPA, which thereafter was replaced with the August 2025 Financing described herein.

ELOC Transaction

Concurrently with the investment by the March 2025 Note Investors described above, the Company entered into an Ordinary Shares Purchase Agreement (the "ELOC Purchase Agreement") with Keystone, pursuant to which the Company has the right to sell to Keystone up to an aggregate of $50 million of newly issued ordinary shares (the "ELOC Shares").

As consideration for Keystone's commitment to purchase ELOC Shares upon the terms of and subject to satisfaction of the conditions set forth in the ELOC Purchase Agreement, the Company agreed to issue to Keystone a note in a principal amount of $1,000,000 and an additional commitment note on May 28, 2025, in the principal amount of $1,500,000, each of which does not bear interest and has a maturity date of December 11, 2025 and November 28, 2026, respectively (the "Commitment Note"). The Commitment Note is due by way of conversion into the Company's shares based on the closing share price of the Company's shares on the date immediately prior to the maturity date, provided that in each case the applicable conversion price shall not be lower than twenty percent (20%) of the closing sale price of the Company's shares on the issuance date of the Commitment Note. The Commitment Note can be converted prior to the maturity date by either the Company or Keystone at any time following the earlier of (i) the date on which the shares issuable upon conversion are registered under a registration statement filed with the SEC or (ii) September 11, 2025. In the event of a conversion prior to the maturity date, the number of Company shares to be issued upon the conversion of the Commitment Note will be based on the closing share price on the day prior to the issuance of the conversion notice provided that the closing sale price on the day prior to the issuance of the conversion notice is not lower than 10% as compared to the closing sale price on the date immediately prior thereto. The conversion of the Commitment Note will be limited to the extent that, upon its conversion, Keystone and its affiliates would in aggregate beneficially own more than 4.99% of the Company's outstanding share capital at any time.

In addition, in connection with the ELOC Purchase Agreement, the Company and Keystone entered into a Registration Rights Agreement pursuant to which the Company undertook to register with the SEC the shares issuable upon conversion of the Commitment Note and the ELOC Shares that the Company has the right to sell to Keystone.

The Company does not have a right to commence any sales of ELOC Shares to Keystone under the ELOC Purchase Agreement before a registration statement of such shares is declared effective by the SEC and the final form of prospectus is filed with the SEC (the "Commencement Date"). Following such date, the Company will control the timing and amount of any sales of ELOC Shares to Keystone. Actual sales of shares of ELOC Shares to Keystone under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the ELOC Shares and determinations by the Company as to the appropriate sources of funding for the Company and its operations. The Company is obligated to use 33% proceeds from the sale of ELOC Shares to repay the principal amount under the March 2025 Notes.

As of December 31, 2025, an amount of $1,600,000 was converted into 107 shares.

Under the ELOC Purchase Agreement, on any business day on which the closing sale price of the Company's shares is equal to or greater than $0.05 (the "Fixed Purchase Date"), the Company may direct Keystone to purchase shares (a "Fixed Purchase") at a purchase price equal to 95% of the lesser of (i) the daily volume-weighted average price (the "VWAP") of the Company's shares for the five (5) trading days immediately preceding the applicable fixed purchase date and (ii) the lowest sale price on the applicable Fixed Purchase Date, provided, that Keystone's committed obligation under any single Fixed Purchase shall not exceed $50,000.

In addition to Fixed Purchases, on any business day on which the Company has directed Keystone to purchase the maximum allowable Fixed Purchase amount, the Company may also direct Keystone to purchase additional shares on the trading day immediately following the purchase date for such Fixed Purchase (the "VWAP Purchase Date" and such purchase, a "VWAP Purchase") at a purchase price equal to 90% of the lesser of (i) the closing sale price of the Company's shares on the applicable VWAP Purchase Date and (ii) the VWAP during the period on the applicable VWAP Purchase Date beginning at the opening of trading and ending on the earlier of (1) close of trading, (2) the time at which the trading volume of the Company's shares on Nasdaq has reached the number of shares to be sold in the VWAP Purchase divided by 30%, and (3) the time at which the sale price of the Company's shares on Nasdaq is 75% of the closing sale price on the date on which the Company directs Keystone to make a VWAP Purchase (such period, the "VWAP Purchase Period"), provided, that Keystone's committed obligation under any single VWAP Purchase shall not exceed the lesser of (a) 300% of the number of shares sold in the corresponding Fixed Purchase and (b) 30% of the trading volume of the VWAP Purchase Period.

In addition, on a VWAP Purchase Date, the Company may also direct Keystone to purchase on such day, an additional number of shares (an "Additional VWAP Purchase") at a purchase price equal to 90% of the lesser of (i) the VWAP beginning at the completion of any prior VWAP Purchases and the last Additional VWAP Purchase, as applicable, and ending on the earlier of (1) close of trading, (2) the time at which the trading volume of the Company's shares on Nasdaq has reached the number of shares to be sold in the Additional VWAP Purchase divided by 30%, and (3) the time at which the sale price of the Company's shares on Nasdaq is 75% of the closing sale price on the date on which the Company directs Keystone to make an Additional VWAP Purchase (such period, the "Additional VWAP Purchase Period"), and (ii) the lowest sale price on such day, provided, that Keystone's committed obligation under any single Additional VWAP Purchase shall not exceed the lesser of (a) 300% of the number of shares sold in the Fixed Purchase that corresponded to the VWAP Purchase corresponding to the Additional VWAP Purchase and (b) 30% of the trading volume of the Additional VWAP Purchase Period.

Keystone's aggregate committed obligation under a VWAP Purchase and all Additional VWAP Purchases for a particular VWAP Purchase Date shall not exceed $1,000,000 in the aggregate.

The ELOC Purchase Agreement provides that the Company may not issue or sell any shares under the ELOC Purchase Agreement if the issuance or sale of such shares would result in Keystone and its affiliates beneficially owning more than 4.99% of the Company's outstanding share capital at any time.

Julestar Financing Transaction

In February 2025, the Company entered into a Loan Agreement with Julestar LLC, a New York limited liability company ("Julestar"), pursuant to which Julestar loaned us $2,650,000 in consideration for a promissory note in the principal amount of $3,117,647 (the "Julestar Note"). The principal amount, and interest thereon, was required to be repaid in 40 weekly installments over the 10-month term of the loan. The Julestar Note accrued interest at a rate of 10% per annum. To secure the repayment of the Julestar Note, the Company undertook to grant a subordinated pledge over the shares of certain of its subsidiaries, subject to the consent of a senior lender within 60 days, however this consent was not obtained.

The Loan Agreement included the issuance of five-year warrants to purchase 35 ordinary shares (the "Julestar Warrants"), subject to downward adjustment in the number of underlying shares in the event of early repayment of the Julestar Note in full or upward adjustment in the event the Julestar Note is not repaid in full within 90 days of the issuance date. The exercise price of the Julestar Warrants is $75,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. The Julestar Warrants are subject to a limitation that prohibits ownership of more than 4.99% of Company's outstanding share capital at any time.

The Company undertook to register the shares issuable upon the exercise of the Julestar Warrants with the Securities and Exchange Commission on a Form F-1 or Form F-3.

Since the Company did not repay the loan within 90 days, as of May 5, 2025, the Company amended the warrants to increase the number of shares issuable thereunder by an additional 113 shares at an exercise price of $75,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. The Company repaid $1,300 thousand owing under the Julestar Note in 2025.

As a result of the issuance of the Julestar Warrants, the exercise price of the warrant to purchase 35 ordinary shares issued in an earlier financing transaction on December 30, 2024 automatically decreased from $127,500 to $75,000 per share.

In June 2026, the Company repaid $1.35 million to Julestar.

J.J. Astor Financing

In December 2024, the Company entered into a Loan Agreement with J.J. Astor & Co. ("Astor") pursuant to which Astor agreed to loan us $2,200,000 in consideration for a promissory note in the principal amount of $2,750,000 (the "December 2024 Convertible Note"). After fees and expenses, the net proceeds of the loan were $2,087,000. The December 2024 Convertible Note is payable in 40 weekly installments of $68,750 each in cash or registered ordinary shares, at our election. The December 2024 Convertible Note will not accrue interest (unless there is an event of default).

The Company is entitled to prepay the December 2024 Convertible Note at any time, with declining discounts for prepayment within 30, 60 or 90 days. Upon an event of default, the outstanding principal amount will increase to 110% of the outstanding principal amount, plus interest thereon at the rate of 16% per annum. The December 2024 Convertible Note will be convertible by Astor following an event of default.

The conversion price of the December 2024 Convertible Note is 80% of the average of the four lowest VWAP prices for the 20 trading days prior to conversion but not lower than the 20% of the average of the four lowest VWAP prices for the 20 trading days prior to the closing date. To the extent that the conversion price is lower than such minimum price, the Company will be required to pay a make-whole payment.

One-half of the net proceeds of the amount the Company raises in any subsequent equity financing of less than $5 million will be required to be used to prepay the December 2024 Convertible Note, and all of larger equity financings will be required to be used to prepay the December 2024 Convertible Note.

The Company agreed to issue to Astor a five-year warrant to purchase 8 ordinary shares at an exercise price of $127,500 per share (the "December 2024 Warrant"), subject to adjustment in certain circumstances, including dilutive issuances. The Company undertook to register the shares issuable upon conversion of the December 2024 Convertible Note and upon exercise of December 2024 Warrant on our registration statement on Form F-1. If there is no such registration statement in effect, the holder of the December 2024 Warrant will be entitled to exercise on a cashless basis. On January 13, 2025, Astor assigned the December 2024 Warrant to Wolverine Flagship Fund Trading Limited, which now holds the rights under the December 2024 Warrant. The December 2024 Convertible Note and December 2024 Warrant are subject to a limitation that prohibits ownership of more than 4.99% our outstanding share capital at any time.

Each of the Company's subsidiaries agreed to guarantee the December 2024 Convertible Note and the Company and each of its subsidiaries agreed to grant a subordinated pledge over its assets to secure the December 2024 Convertible Note, each to become effective following an event of default and receipt of consent from our senior lenders. Failure to obtain such consents will be deemed an event of default under the December 2024 Convertible Note.

On May 28, 2025, we amended the Loan Agreement with Astor to add an additional loan in the amount of $1,560,000, which was evidenced by a $1,853,750 convertible promissory note payable in 40 weekly installments of $46,343 each (the "May 2025 Convertible Note"). After fees and expenses, the net proceeds of this loan were approximately $1,477,600. We agreed that Astor would hold back $926,875 from the proceeds to ensure the payment of weekly installments. The May 2025 Convertible Note matures on March 30, 2026 and has terms substantially similar to the December 2024 Convertible Note. We also issued to Astor a warrant to purchase 42 ordinary shares at $37,500 per share on terms substantially similar to the December 2024 Warrant. On July 16, 2025, Astor assigned the warrant to Wolverine Flagship Fund Trading Limited, which now holds the rights thereunder.

In connection with the issuance of the May 2025 Convertible Note, Astor agreed to waive the default under the December 2024 Convertible Note caused by our failure to pay some of the weekly installments. As a result of the default, the principal amount under the December 2024 Convertible Note was increased by 10%, the interest rate during the period in which the default was continuing was increased to 16% per year, compounded monthly, and the December 2024 Convertible Note became convertible at the option of the holder thereof.

As of the date of this Annual Report, the Company has paid an aggregated amount of $840,000 and Astor has converted the principal amount of $2,165,497 of the December 2024 Convertible Note into our ordinary shares, pursuant to which conversions we have issued 98 ordinary shares.

Claymore Capital Financings

In August 2024, we entered into Securities Purchase Agreements with multiple private investors to raise gross proceeds of approximately $3.3 million in exchange for the issuance of convertible notes (the "August 2024 Notes") with an aggregate principal amount of approximately $4.0 million and warrants to acquire an aggregate of approximately 313 ordinary shares of the Company. The August 2024 Notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price equal to the lower of $105,000 or the price per share of which the Company sells shares to a third party, but in no event less than $75,000. The August 2024 Warrants are exercisable for a period of three years at an exercise price of $150,000 per share. Claymore Capital PTY Ltd. ("Claymore") served as the placement agent for this transaction and received a fee of approximately $233,000 in cash and a warrant to purchase approximately 7 ordinary shares of the Company on terms substantially similar to the terms of the August 2024 Warrants. The Company entered into a consulting agreement with the placement agent for an initial period of three months, during which the placement agent was paid a fee of $15,000 per month.

In August 2024, Claymore agreed to extend a loan to the Company in the amount of $500,000 with interest at the rate of 10% of the principal amount until it was subsequently repaid in August 2024. In November 2024, Claymore agreed to extend a loan of an additional $200,000 with interest at the cumulative rate of 20% of the principal amount until it was subsequently repaid in December 2024. In November 2024, Claymore agreed to extend a loan of an additional $500,000 at the cumulative rate of 45% of the principal amount until it was subsequently repaid in February 2025.

In November and December 2024, Claymore and investors introduced by Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $1,150,000 in exchange for convertible notes with an aggregate principal amount of $1,391,500 and warrants to purchase an aggregate of 10 ordinary shares. The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $150,000. The warrants to purchase an aggregate of 10 ordinary shares are exercisable for a period of three years at an exercise price of $107,145 per share. Claymore's placement fees for the foregoing follow-on investments amounted to $77,000 in cash, 7 ordinary shares and a warrant to purchase 2 ordinary shares on the same terms of the investors' warrants. The Company extended the consulting agreement with the placement agent for a period of 12 months, during which the placement agent will be paid a fee of $15,000 per month.

In December 2024, Claymore and investors introduced by Claymore loaned us an aggregate of $1,262,500 in exchange for notes with an aggregate principal amount of $1,402,778 and warrants to purchase an aggregate of 8 ordinary shares. The notes are unsecured, and do not accrue interest. However, in the event that the note has not been repaid by the maturity date, interest will accrue at a rate of 5% per month. The notes are repayable at the earlier of (i) the six-month anniversary of the issuance of the note or (ii) five business days following the closing of a financing of at least $10,000,000 or the sale of our QPoint subsidiary. If the notes are not repaid by the maturity date, they will be convertible at a conversion price of $75,000. The notes provide that if the notes are not repaid by March 31, 2025, the holders thereof will be entitled to receive collateral to secure the notes. The warrants to purchase an aggregate of 8 ordinary shares are exercisable for a period of three years at an exercise price of $75,000 per share. Claymore's placement fees for the foregoing loan amounted to $77,875 in cash, and a warrant to purchase 8 ordinary shares on the same terms of the investors' warrants.

In January and February 2025, Claymore and investors introduced by Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $1,467,000 in exchange for convertible notes with an aggregate principal amount of $1,775,070 and warrants to purchase an aggregate of 13 ordinary shares.

The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $75,000. The warrants to purchase an aggregate of 13 ordinary shares are exercisable for a period of three years at an exercise price of $107,145 per share. Claymore's placement fees for the foregoing follow-on investments amounted to $102,690 in cash, 9 ordinary shares and a warrant to purchase 3 ordinary shares on the same terms of the investors' warrants.

In February 2025, Claymore agreed to extend a loan to the Company in the amount of $255,000 with interest at the rate of 19% of the principal amount and a maturity date of April 18, 2025. Claymore received pre-funded warrants to purchase 1 ordinary share as fees for the foregoing loan. Claymore agreed to extend the repayment of the loan until May 18, 2025, in exchange for an additional pre-funded warrant to purchase 1 ordinary share.

In March 2025, Claymore investors agreed to extend a loan to the Company with a principal amount of $200,000 and a face value of $300,000 until it was subsequently repaid in March 2025. Claymore received pre-funded warrant to purchase 1 ordinary share as fees for the foregoing loan.

In April 2025, Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $928,000 in exchange for convertible notes with an aggregate principal amount of $1,122,880 and warrants to purchase an aggregate of 8 ordinary shares. The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $105,000, subject to adjustment in certain circumstances, including dilutive issuances, but no lower than $75,000. The warrants to purchase an aggregate of 8 ordinary shares are exercisable for a period of three years at an exercise price of $150,000 per share. In the event that the conversion price of the note is reduced, the exercise price of the warrant will be reduced proportionately. Claymore's placement fees for the foregoing follow-on investments amounted to $64,960 in cash, pre-funded warrant to purchase 22 ordinary shares and a warrant to purchase 6 ordinary shares on the same terms of the investors' warrants. The Company extended the consulting agreement with the placement agent for an additional period of 12 months, until October 31, 2026, during which the placement agent will be paid a fee of $20,000 per month.

In June 2025, we issued to Claymore a convertible note with a principal amount of $2,760,000 and a pre-funded warrant to purchase an aggregate of 20 ordinary shares in consideration for investments in multiple installments in the aggregate amount of $2,400,000. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in the amount of the outstanding principal amount.

In July 2025, we issued a convertible note to an investor introduced by Claymore, with a principal amount of $1,150,000 in consideration for an investment of $1,000,000, on terms substantially similar to the note issued to Claymore in June 2025 described above. Claymore received pre-funded warrants to purchase 13 ordinary shares as fees for the foregoing loan.

In August 2025, we issued to Claymore a convertible note with a principal amount of $575,000 and a pre-funded warrant to purchase an aggregate of 6 ordinary shares in consideration of an agreement to invest an aggregate amount of $500,000. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in the amount of the outstanding principal amount.

The conversion of the notes and warrants issued in the foregoing financings are limited to the extent that, upon conversion or exercise, the holder and its affiliates would in the aggregate beneficially own more than 4.99% of the Company's outstanding ordinary shares. The Company has undertaken to register the resale of the ordinary shares underlying such notes and warrants on a registration statement with the SEC.

As of the date of this Annual Report, Claymore and several investors introduced by Claymore, converted an aggregate principal amount of $10.8 million of the notes issued to them into our ordinary shares, pursuant to which conversions we have issued 280 ordinary shares.

Additionally, in July 2025 and August 2025, we entered into subscription agreements with an investor, Oozi Cats, whose investment was arranged by Claymore, for the purchase of an aggregate of 32 ordinary shares at $45,000 per share, for total proceeds of $1.5 million. Specifically, 16 shares were purchased in July 2025 for $750,000 and 16 shares were purchased in August 2025 for $750,000. Mr. Cats is subject to a 5% beneficial ownership limitation. Concurrently with these investments, we issued pre-funded warrants to Claymore to purchase an aggregate of 37 ordinary shares (18 ordinary shares in July 2025 and 18 ordinary shares in August 2025). Both pre-funded warrant series expire five years from their respective issuance dates (or upon an exit transaction if earlier) and are subject to a 4.99% beneficial ownership limitation.

As of December 31, 2025, the accredited investor introduced by Claymore converted the principal amount of $500 thousand of the notes issued to him into ordinary shares, pursuant to which conversions the Company issued 33 ordinary shares. In addition, Claymore has exercised its prefunded warrants into 13 ordinary shares.

In August 2025, the Company issued Claymore a convertible note with a principal amount of $575 thousand and a prefunded warrant to purchase 6 ordinary shares in consideration for $500 thousand. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in aggregated amount equal to the outstanding principal amount.

As of December 31, 2025, Claymore exercised prefunded warrants into 6 ordinary shares.

In November 2025, the Company issued to Claymore 100 prefunded warrants in exchange for the cancellation of prior agreements with the Company regarding marketing services and a price adjustment to the convertible note issued to Claymore.

In November 2025, the Company entered into an amendment of a March 2025 loan with Claymore Capital and two investors who were introduced by Claymore, with respect to the March 2025 loan provided by the two investors. Pursuant to the amendment, the $140,000 loan was repaid through the issuance of 9 ordinary shares to the lenders.

Settlement-Related Convertible Notes

In February 2025, in connection with the settlement agreements that the Company entered into with each of Oppenheimer and Dominion, as described below under "—Settlements with Oppenheimer and Dominion," Claymore agreed to make, on the Company's behalf, all of the cash payments that the Company was required to make to Oppenheimer and Dominion under the respective settlement agreements. Under the Oppenheimer settlement agreement, the Company was required to pay Oppenheimer an aggregate of $3.0 million in scheduled installments through December 2025, and under the Dominion settlement agreement, the Company was required to pay Dominion an aggregate of $4.5 million in scheduled installments through December 2025.

In consideration for Claymore's agreement to make the foregoing payments on the Company's behalf, the Company issued to Claymore convertible notes in the aggregate principal amount of $13.5 million, comprised of (i) a convertible note in the principal amount of $6 million in connection with the Oppenheimer settlement (the "Oppenheimer Settlement Note") and (ii) a convertible note in the principal amount of $7.5 million in connection with the Dominion settlement (the "Dominion Settlement Note" and, together with the Oppenheimer Settlement Note, the "Settlement Notes"). The Settlement Notes do not bear interest and were each repayable by way of mandatory conversion into the Company's ordinary shares on the fifth anniversary of the respective issuance date, subject to earlier conversion at Claymore's option.

In June 2025, Claymore exercised its right to convert each of the Settlement Notes in full prior to maturity. Upon conversion, the Company issued to Claymore an aggregate of 14 ordinary shares, comprised of 6 ordinary shares issued upon conversion of the Oppenheimer Settlement Note and 8 ordinary shares issued upon conversion of the Dominion Settlement Note, in each case at the contractual conversion price applicable to the respective Settlement Note. As of the date of this annual report, Claymore has made, on the Company's behalf, all of the cash payments that the Company was required to make to Oppenheimer and Dominion under the respective settlement agreements, and the Company has no remaining payment obligations to Oppenheimer or Dominion under the respective settlement agreements.

July 2025 Warrants

In July 2025, we agreed to re-issue warrants to purchase an aggregate of 166 ordinary shares to investors who participated in our financing in April 2022 of ordinary shares and warrants. In light of subsequent market price changes and the Company's multiple reverse share splits between February 2023 and March 2025, the warrants were re-issued in July 2025 with adjusted pricing and quantity terms to compensate investors for all cumulative effects. As of August 31, 2025, such warrants to purchase an aggregate of 154 ordinary shares have been issued. The warrants are exercisable for cash at a price of $120,000 per share and expire on January 14, 2027. Most of the warrants are subject to early expiration if they are not exercised within 14 days after the market price of the ordinary shares equals or exceeds $120,000 per share for ten trading days in a period of 20 consecutive trading days.

March-November 2024 Financing and Restructure

In March-November 2024, we sold to an accredited investor (the "March-November 2024 Investor"), in a series of unregistered private transactions, notes (the "March-November 2024 Notes") with an aggregate principal amount of $11,000,000, and warrants (the "March-November 2024 Warrants") pursuant to a Securities Purchase Agreement entered into with the March-November 2024 Investor (the "March-November 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-November 2024 Purchase Agreement.

The loan amount under the March-November 2024 Notes was repayable by the Company on (a) November 29, 2024 with respect to $1,000,000 of the principal amount and (b) with respect to the remaining $10,000,000, the earlier of (i) August 10, 2024 with respect to $4,000,000 of the principal amount and September 24, 2024 with respect to $6,000,000 of the principal 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-November 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; (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; and (c) with respect to $2,000,000 of the principal amount, (i) for the principal amount repaid on or prior to November 29, 2024, 8.5% of such principal amount, and (ii) for the principal amount repaid following November 29, 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 November 29, 2024 and ending on the repayment date.

If the March-November 2024 Notes are not repaid prior to the applicable maturity date, the March- November 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 $75,000. 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- November 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-November 2024 Warrants issued under the March-November 2024 Purchase Agreement were exercisable as follows: (i) March-November 2024 Warrants exercisable into 29 ordinary shares were exercisable at an exercise price equal to $105,000 per share until March 12, 2027, (ii) March-November 2024 Warrants exercisable into 7 ordinary shares were exercisable at an exercise price equal to $75,000 per share until April 3, 2027, (iii) March-November 2024 Warrants exercisable into 13 ordinary shares were exercisable at an exercise price equal to $105,000 per share until June 26, 2027, (iv) March-November 2024 Warrants exercisable into 1 ordinary shares were exercisable at an exercise price equal to $75,000 per share until June 26, 2027, and (v) March-November 2024 Warrants exercisable into 10 ordinary shares were exercisable at an exercise price equal to $82,500 per share until June 26, 2027.

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

On February 17, 2025, HUB and the March-November 2024 Investor agreed to amend the terms of the March-November 2024 Notes and the March-November 2024 Warrants. Pursuant to the amended terms, the maturity date of each of the March-November 2024 Notes, having an aggregate principal amount of $11 million (plus accrued interest), was extended to August 16, 2025. Additionally, per the amendment terms, in the event the notes are not paid or converted in full by April 1, 2025, from and after April 1, 2025, the current interest rate of the notes will increase from 15% per annum to 20% per annum.

Pursuant to the amendment, the exercise price of each of the March-November 2024 Warrants was changed to a unified exercise price of NIS 266,550 (being the NIS equivalent of $75,000 per share based on the last published exchange rate published by the Bank of Israel on the date of the amendment) and the term of the March-November 2024 Warrants was extended to a unified end date of February 17, 2030. The Company also issued to the March-November 2024 Investor an additional warrant exercisable into 13 ordinary shares at an exercise price of $75,000 per share and a pre-funded warrant exercisable into 66 ordinary shares, in each case until February 17, 2030, and in each, the exercise of the new warrants will be limited to the extent that, upon the exercise of the new warrants, the March-November 2024 Investor would not beneficially own more than 4.99% of our outstanding ordinary shares.

Additionally, pursuant to the amended terms, the March-November 2024 Investor agreed to sell all or a signification portion of the notes to a third party who will convert the notes and attempt to sell the resulting conversion shares. The March-November 2024 Investor agreed by no later than April 2, 2025, to inform the Company in writing of the amount of proceeds the March-November 2024 Investor irrevocably received from the sale of such conversion shares by the third party, in which case the Company shall be deemed to have repaid the principal and accrued interest under the converted notes in the amount equal to the sale proceeds. In the event that the sale proceeds are lower than the aggregate principal and accrued interest under the converted notes thereon, the Company agreed to issue to the March-November 2024 Investor a convertible note in the principal amount equal to such shortfall amount (and if the sale proceeds (and any repayments from the Company) are less than $6.5 million, also the interest that would have accrued on the converted notes in accordance with their terms had they not been converted). The new note would have an interest rate of 20% per annum, commencing retroactively from the date of conversion of the converted notes, and a maturity date of August 16, 2025, and otherwise the same terms and conditions as the converted notes. In the event that, at April 2, 2025, the March-November 2024 Investor holds unsold conversion shares, then warrants held by the March-November 2024 Investor will be exercised for an equivalent number of ordinary shares pursuant to the terms thereof and such conversion shares will be deemed to be issued pursuant to such exercise in lieu of the issuance of new ordinary shares.

On August 16, 2025, the Company entered into a Fifth Amendment to the Securities Purchase Agreement with the March-November 2024 Investor that: (i) extended the maturity date of all convertible notes of the Company in the aggregate principal amount of $11,000,000 for an additional six months from August 16, 2025 to February 16, 2026; (ii) implemented compound interest, whereby interest now accrues on previously accrued interest commencing from the amendment date; and (iii) facilitated the introduction of Seven Knots, LLC, which has undertaken to purchase the convertible notes from the March-November 2024 Investor, pursuant to a separate note purchase and assignment agreement dated August 20, 2025. The amendment maintains all other existing terms and conditions of the notes, including the Company's obligation to repay the principal amount plus all accrued interest.

On August 20, 2025, the March-November 2024 Investor entered into a Note Purchase and Assignment Agreement with Seven Knots, LLC for the sale of all outstanding convertible notes for a purchase price of $14,054,165, representing the principal amount plus accrued interest through August 31, 2025, with adjustments for additional interest thereafter. Seven Knots is required to purchase at least $6,000,000 of the notes within 60 days and the remaining balance within 90 days from the agreement date. If Seven Knots fails to meet these payment milestones, the Fifth Amendment automatically terminates. On August 18, 2025, prior to the purchase agreement, the March-November 2024 Investor converted $1,500,000 of the June 26, 2024 note at a conversion price of $45,000 per share, resulting in the issuance of 33 ordinary shares directly to Seven Knots, LLC. This conversion amount counts toward the initial $6,000,000 purchase requirement. Once Seven Knots completes the full purchase, the Company's repayment obligations to the March-November 2024 Investor will be considered fully satisfied; however, these milestones were not met in full and therefore the Fifth Amendment automatically terminated, putting us in breach of the March-November 2024 Notes.

To compensate Seven Knots for its undertakings to Mr. Gottdiener in the note purchase and assignment agreement, we issued to the purchaser a convertible note in the principal amount of $1,500,000. The note bears no interest and matures on August 20, 2026 by way of conversion into ordinary shares. The note is also convertible, in whole or in part, at the option of the holder at any time. The conversion price is the lower of (i) $45,000 and (ii) 95% of the lowest VWAP of the Ordinary Shares during the five consecutive trading day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice, subject to the Nasdaq floor price. The holder is also entitled to redeem all or portion of the note in cash from the holder's pro rata portion of 33% of the proceeds received by the Company pursuant to an equity line of credit or at-the-market offering, at a price of 110% of the amount being redeemed. The holder is subject to a beneficial ownership limitation of 4.99%.

On September 17, 2025, the Company entered into a Master Exchange Agreement (the "Exchange Agreement") with the Exchange Accredited Investor, which undertook in August 2025 to purchase the convertible notes issued to the March-November 2024 Investor. On the same date, the Exchange Accredited Investor entered into a Note Purchase Agreement with AGP to purchase AGP's note having a principal amount (plus accrued interest) of $2,248 thousand for a purchase price of $750 thousand. Pursuant to the Exchange Agreement, the Exchange Accredited Investor has the right to exchange all or a portion of its notes for new notes, which have substantially the same terms and conditions as the Amended Notes. After giving effect to applicable original issue discount, under the terms of the Exchange Agreement, up to $16,420 thousand aggregate principal amount of outstanding notes are exchangeable for up to $19,840 thousand aggregate principal amount of new notes under the Exchange Agreement. Astor has an option to purchase from the Exchange Accredited Investor, up to one-half of the new notes issued pursuant to the Exchange Agreement and Keystone has an option to purchase from the Exchange Accredited Investor, up to 25% of the new notes issued pursuant to the Exchange Agreement.

The note bears no interest and matures on the second anniversary from the issuance of each note. The note is also convertible, in whole or in part, at the option of the holder at any time. The conversion price of (i) $43,200or (ii) 90% (or 80% in case of default) of the lowest VWAP of the Ordinary Shares during the twenty consecutive trading day period ending and including the trading day immediately preceding the delivery or deemed delivery of the applicable conversion notice, subject to the Nasdaq floor price. The holder is subject to a beneficial ownership limitation of 4.99%.

As of December 31, 2025, notes in the aggregate principal amount of $9,004 thousand have been exchanged under the Exchange Agreement for Amended Notes in the aggregate principal amount of $11,063 thousand.

As of December 31, 2025, a total amount of $6,662,682 was converted into 361 ordinary shares.

On June 4, 2026, the Company and the March-November 2024 Investor entered into a Sixth Amendment to the Securities Purchase Agreement. Pursuant to this amendment, the Company issued a Secured Convertible Note (the "June 2026 Note") in the original principal amount of $5,556,000 in exchange for a cash investment in the same amount. This investment followed sales of notes in multiple installments from the March-November 2024 Investor to Seven Knots, LLC pursuant to their Note Purchase and Assignment Agreement, dated August 20, 2025. Such agreement was amended on June 3, 2026 to accommodate additional note purchases from time to time up to an aggregate principal amount of $8,000,000. The June 2026 Note bears interest at 20% per annum, computed on a 360-day basis and including interest on interest. The Note is secured *pari passu* by the same Charged Assets that secure existing outstanding notes under the Securities Purchase Agreement. The outstanding principal and accrued interest are due and payable on the earlier of (i) June 11, 2026, or (ii) five business days following the closing of a sale by the Company of QPoint Technologies Ltd. Commencing June 11, 2026, the holder is entitled to demand repayment of all or a portion of the June 2026 Note upon two business days' notice. The holder may convert any portion of the outstanding loan amount into Ordinary Shares at a price equal to the arithmetic average of the Closing Sale Prices of the Ordinary Shares for the five Trading Days prior to the conversion date, subject to a floor price of $0.71 per share. Conversion is subject to a beneficial ownership limitation of 4.99%. From June 3, 2026 to June 30, 2026, the Company raised aggregate proceeds of $4,706,304 in private placements from accredited investors in exchange for convertible notes in the aggregate principal amount of $5,882,880, representing a 20% original issue discount. The convertible notes were issued under the Exchange Agreement and have a maturity date of two years from their respective dates of issuance.

2023-2024 Investment by Accredited Investors

Between November 2023 and January 2024, the Company entered into Securities Purchase Agreements (the "First 2023-2024 Accredited Investor SPAs") providing for the sale by the Company to certain accredited investors (the "First 2023-2024 Accredited Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $3,100,000 (the "First 2023-2024 Accredited 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 Accredited Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "First 2023-2024 Accredited Investor Warrants").

The aggregate principal amount of the First 2023-2024 Accredited Investor Notes was convertible into our ordinary shares at a rate of the lower of (i) $$375,000 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 $225,000. The First 2023-2024 Accredited 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 Accredited Investors. The First 2023-2024 Accredited Investors had the right to convert the First 2023-2024 Accredited Investor Notes, in whole or in part, at any time following their issuance.

The First 2023-2024 Accredited Investor Notes were subsequently fully converted by the First 2023-2024 Accredited Investors.

In February 2025, the Company and the First 2023-2024 Accredited Investors agreed to amend the terms of the First 2023-2024 Accredited Investor SPAs and the First 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $150,000 per share and the Company issued to the First 2023-2024 Accredited Investors additional warrants exercisable into 11 ordinary shares at an exercise price of $150,000 per share and 9 ordinary shares.

Second 2023-2024 Accredited Investor Financing Transaction

In March 2024, the Company entered into Securities Purchase Agreements (the "Second 2023-2024 Accredited Investor SPAs") providing for the sale by the Company to certain accredited investors (the "Second 2023-2024 Accredited Investors" and together with the First 2023-2024 Accredited Investors, the "2023-2024 Accredited Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $550,000 (the "Second 2023-2024 Accredited Investor Notes"), and warrants exercisable into 1 ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the Second 2023-2024 Accredited Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "Second 2023-2024 Accredited Investor Warrants").

The aggregate principal amount of the Second 2023-2024 Accredited 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 $225,000. The Second 2023-2024 Accredited Investor Notes do not bear interest and are repayable on March 14, 2027, subject to earlier conversion by the Second 2023-2024 Accredited Investors. The Second 2023-2024 Accredited Investors have the right to convert the Second 2023-2024 Accredited Investor Notes, in whole or in part, at any time following their issuance.

Pursuant to the First 2023-2024 Accredited Investor SPAs, we issued First 2023-2024 Accredited Investor Warrants which are exercisable into 1 ordinary share. The First 2023-2024 Accredited 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 Accredited Investor Warrants and have a weighted average exercise price of $3,495,000. Pursuant to the Second 2023-2024 Accredited Investor SPAs, we issued Second 2023-2024 Accredited Investor Warrants which were exercisable into 1 ordinary share. The Second 2023-2024 Accredited Investor Warrants were exercisable until September 14, 2025 for an exercise price of $225,000. The exercise of the 2023-2024 Accredited Investor Warrants will be limited to the extent that, upon their exercise, a 2023-2024 Accredited Investor and its affiliates would in the aggregate beneficially own more than 4.99% of our ordinary shares.

In February 2025, HUB and the First 2023-2024 Accredited Investors agreed to amend the terms of the First 2023-2024 Accredited Investor SPAs and the First 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $150,000 per share and the Company also issued an additional warrant exercisable into 11 ordinary shares at an exercise price of $150,000 per share. In addition, the Company issued 9 ordinary shares to the First 2023-2024 Accredited Investors.

In addition, in February 2025, HUB and the Second 2023-2024 Accredited Investors agreed to amend the terms of the Second 2023-2024 Accredited Investor SPAs, the Second 2023-2024 Accredited Investor Notes and the Second 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $172,500 per share, and the Company issued to the Second 2023-2024 Accredited Investors additional warrants exercisable into 11 ordinary shares at an exercise price of $150,000 per share, and the conversion price of each of the Second 2023-2024 Accredited Investor Notes was changed to a unified conversion price of $171,300 per share.

The Second 2023-2024 Accredited Investors were subsequently fully converted by the Second 2023-2024 Accredited Investors.

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 were subsequently amended in 2024 pursuant to a series of agreements with Shayna and Akina Holding Limited ("Akina"), which assigned most of Shayna's rights to Akina and established new conversion and warrant terms. All original interest, conversion, and warrant provisions under the Shayna Loan Agreements were superseded by the 2024 amendments.

The Shayna Loans were amended in March–May 2024 through a series of agreements with 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 34 ordinary shares, based on an agreed USD/NIS exchange rate of NIS 3.65 and a conversion price of $135,000.00 per share. Under this amendment, Akina will receive 25 ordinary shares, while Shayna will receive 8 ordinary shares. Additionally, warrants have been issued for the purchase of the same number of ordinary shares at an exercise price of $135,000 per share, with Akina entitled to 25 ordinary shares and Shayna entitled to 8 ordinary 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.

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 8 ordinary shares of the Company, calculated at a price of $135,000 per share. Additionally, Shayna was issued a warrant to purchase 8 ordinary shares of the Company at an exercise price of $120,000 per share, with an exercise period of six months.

During 2024, Akina converted the loan under the Convertible Loan Agreements into our ordinary shares, pursuant to which conversions we have issued 35 ordinary shares and exercised the warrant and purchased 29 ordinary shares of the Company at an exercise price of $135,000. In addition, Shayna exercised the warrant and purchased 8 ordinary shares of the Company at an exercise price of $120,000.

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 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 Lind SPA and Lind Note were subsequently amended in August and November 2023.

As of the date of this Annual Report, Lind has converted the principal amount of the Lind Note into our ordinary shares and exercised most of the Lind Warrants. Only a small number of Lind Warrants remain outstanding.

Convertible Notes

Upon the closing of the Business Combination agreement the Company entered into two convertible notes agreements (collectively, the "Convertible Notes Agreements") with 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 Note"). 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 was neither paid nor converted.

AGP alleged that the Company was in default under the Convertible Notes Agreements, having failed to make the required payments thereunder, and the parties are in a commercial dispute. The Company has entered into a settlement with AGP with respect to the convertible note of the Company issued to AGP on February 28, 2023 (the "Original Note"). The Original Note has a principal amount of approximately $5.2 million and provides for interest at the rate of 6% per year and default interest at the rate of 18% per year. The Original Note provided for amortization payments commencing on June 1, 2023, with final maturity on March 1, 2024. The obligations under the Original Note are recorded in the Company's balance sheet as of June 30, 2024 at approximately $5.7 million.

On November 22, 2024, the Company and AGP entered into an amended and restated note dated (the "Amended Note"), which contemplates the AGP will convert $250,000 of the principal amount in each of seven 30-day periods, up to an aggregate amount of $1.8 million (but the first conversion can be in the amount of $320,000 and final conversion $230,000). Upon each conversion, one-seventh of the excess debt above $1.8 million will be cancelled. Upon conversion of the full $1.8 million, the Amended Note will be extinguished. If an aggregate amount of $1.8 million is not converted by May 30, 2025, the terms of the Original Note will again apply, unless otherwise agreed by the parties. The Amended Note contains a conversion price equal to 93% of the prevailing market price, subject to a $60,000 floor. The floor price may be adjusted downward after three months if the market price falls below the floor price and does not subsequently increase above the floor price.

During the year ended December 31, 2024, AGP converted an aggregate amount of $1,070,000, which was allocated to two parts: until November 2024, an aggregate amount of $500,000 which was converted into 4 ordinary shares, while the remaining amount of $570,000, which was subject to the November 2024 Amended Note, converted into 8 ordinary shares. During January and February 2025, AGP converted an aggregated amount of $500,000 into 6 ordinary share.

On September 17, 2025, an accredited investor entered into a Note Purchase Agreement with AGP to purchase AGP's note having a principal amount (plus accrued interest) of $2,248,000 for a purchase price of $750 thousand.

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 15% and are repayable on January 1, 2025, provided that BST has the right to prepay 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 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.

We have provided BST an aggregate amount of $2,732 thousand under the BST Loan Agreement. Following the merger between us and BST on January 27, 2025, the balance was classified as an inter-company receivable and is no longer included as a credit facility.

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 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 27 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 $1,500,000 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 private placement in connection with the closing of our business combination with Mount Rainier Acquisition Corp., a Delaware special purpose acquisition company, in 2023 (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 72,150(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 remain unpaid fees of $3,298,000 under the A-Labs Agreement.

On November 6, 2025, we entered into a settlement agreement with each of A-Labs, MOFO Holdings LLC and Viserion Ltd. (the "PIPE Investors"), which had entered into subscription agreements with us to invest an aggregate of $50 million in the PIPE Financing. After all the other closing conditions for the business combination were met, we decided to proceed with the closing despite not having received the funds payable under the Subscription Agreements from the PIPE Investors. The signing of the settlement agreements followed a mediation process, which was approved by our Audit Committee and Board of Directors, and by our shareholders on December 16, 2025. According to the settlement agreement, taking into account the parties' respective claims and the various agreements between them, no funds or other form of consideration shall be paid or transferred from the PIPE Investors to us, and we shall not pay any funds or any other form of consideration to any of the PIPE Investors, all in exchange for full and absolute waivers by the parties toward each other (including shareholders, officers, directors parent and subsidiaries thereof, and anyone acting on behalf of any of them).

Additionally, according to the settlement, we will repay to A-Labs the amount outstanding in connection with a secured loan extended by A-Labs to us on January 17, 2023 in the amount of $900,000, which with original issuance discount and accrued interest amounts to $1,800,000. The repayment will be in the form of our ordinary shares based on the lowest closing price of the ordinary shares on Nasdaq during the five trading days preceding the date of the shareholders' approval, which was on December 16, 2025. The shares will be subject to the following lock-up periods: 40% of the shares will be restricted for a period of 40 days, 30% will be restricted for a period of 70 days, 25% will be restricted for a period of 100 days and 5% will be restricted for a period of 130 days. The 5% tranche will be subject to a one-time upward or downward adjustment to the extent that the sum of (i) the proceeds from the sale of shares by A-Labs and (ii) the current market value of the shares held by A-Labs are less than or greater than $1,800,000, respectively. A-Labs must make reasonable commercial efforts to maximize the consideration it receives for the sale of shares. The sale of shares by A-Labs on Nasdaq on any trading day may not exceed 5% of the current day's trading volume of the ordinary shares thereon.

In April 2026, we received a letter addressed to our directors from counsel to A-Labs, demanding that we pay the $1,800,000 plus interest. In May 2026, the Company's counsel responded by rejecting all allegations raised by A-Labs in their letter.

In addition, on April 16, 2026, an application was filed against the Company to hold it liable for a judgment awarded against A-Labs in favor of Teshua Ltd., based on the alleged amount of $1,800,000. The Company explained that it was unable to realize the shares due to an attachment imposed on A-Labs and/or its representatives, and that, in any event, at present the matter does not concern the amount alleged by A-Labs, but rather shares whose value is substantially lower. A hearing on this matter is scheduled for July 21, 2026.

Separately, on February 27, 2026, DC Rainier SPV LLC, the former sponsor of Mount Rainier Acquisition Corp., filed a complaint against the Company and A-Labs in the Supreme Court of the State of New York alleging, among other things, that the Company and A-Labs misrepresented the existence of approximately $50 million of PIPE financing commitments in connection with the Mount Rainier business combination, and on April 28, 2026, the plaintiff filed a motion for entry of a default judgment against the Company seeking not less than $5,080,027, plus interest, fees and costs. For more information, see Note 28(7) to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

Settlements with Oppenheimer and Dominion

In February 2025, we reached a settlement agreement with Oppenheimer & Co., Inc. ("Oppenheimer") for $3 million, with $1.1 million being paid on the effective date and the remaining balance payable in ten monthly payments of $200,000 from March to December 2025 (with the first payment being $100,000). As part of the settlement arrangement, Claymore Capital Pty Ltd. ("Claymore") agreed to make on the Company's behalf, all the payments that the Company is required to make under the settlement agreement with Oppenheimer. In consideration, the Company issued Claymore a convertible note in the principal amount of $6 million. The note was convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than $225,000 or lower than the Nasdaq floor price. The note did not bear interest and matured on February 18, 2030, at which time we were entitled to convert the note into ordinary shares. As of June 2025, Claymore converted the note in full into 122 ordinary shares, at a conversion price of $45,000 per share and made all required payments to Oppenheimer. See "—Settlement-Related Convertible Notes" above.

In February 2025, we also reached a settlement agreement with Dominion Capital LLC and its affiliates (together, "Dominion") for $4.5 million, with $400,000 being payable by February 21, 2025, $200,000 payable by March 3, 2025 and the remaining balance payable in ten monthly payments of $390,000 from March to December 2025. As a result, the Israeli insolvency proceedings that were initiated by Dominion in 2023 were dismissed on March 7, 2025.As part of the settlement arrangement, Claymore agreed to make on the Company's behalf all the payments that the Company is required to make under the settlement agreement with Dominion. In consideration, the Company issued Claymore a convertible note in the principal amount of $7.5 million. The note was convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than $225,000 or lower than the Nasdaq floor price. The note did not bear interest and matured on February 20, 2030, at which time we were entitled to convert the note into ordinary shares. As of June 2025, Claymore converted the note in full into 166 ordinary shares, at a conversion price of $45,000 per share and made all required payments to Dominion. See "—Settlement-Related Convertible Notes" above.

Debt Arrangement with Comsec Creditors

On March 24, 2024, we entered into a debt settlement agreement with certain creditors of Comsec. Comsec's total liabilities amount to approximately NIS 52.0 million (approximately $16.3 million) divided between different groups of creditors with different priorities, which is covered by a guarantee by us of up to NIS 36.3 million (approximately $11.4 million).

As of December 31, 2025, Comsec's total liabilities amount to $265 thousand. The amount paid under the debt settlement agreement to unsecured creditors amounted to $135 thousand. As of the date of this Annual Report, the Company is in material breach of the debt settlement agreement.

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.

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

We qualify as an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we continue to be an emerging growth company, we are permitted to and intend to take advantage of specified reduced reporting and other regulatory requirements that are generally unavailable to other public companies, including: (i) presentation of only two years of audited financial statements and only two years of related Operating and Financial Review and Prospects disclosure; (ii) an exemption from the auditor attestation requirements regarding our internal control over financial reporting required by Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"); (iii) an exemption from the requirement that our auditor's report include disclosure regarding "critical audit matters"; and (iv) an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board (the "PCAOB"), requiring mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements. We may take advantage of these provisions until the last day of the fiscal year during which we mark the fifth anniversary of February 28, 2023, the date of the first sale of our ordinary shares pursuant to an effective registration statement under the Securities Act. However, if certain events occur prior to the end of such five-year period, including if (i) we become a "large accelerated filer" under the Exchange Act, (ii) our annual gross revenues exceed $1.235 billion, or (iii) we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We have elected to take advantage of such extended transition period, which means that when an accounting standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This election is irrevocable. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates.

C. Research and Development, Patents and Licenses, Etc.

For a discussion of our research and development policies, see Item 4B. "Business Overview" and Item 3D. "Key Information —Risk Factors —Risks Related to Our Incorporation and Operations in Israel."

For a description of our intellectual property, please see Item 4B. "—Intellectual Property."

D. Trend Information

Other than as described in Item 3D. "Key Information —Risk Factors" and in Item 5A. "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, 2025. 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 to our audited consolidated financial statements for the year ended December 31, 2025 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 July 15, 2026:

Name	Age	Position
Executive Officers (5)		
Limor Zur-Stoller	56	Chief Financial Officer
Tuvia Grossman	45	General Counsel and Chief Legal Officer
Directors		
Renah Persofsky (1)(2)(3)(4)(5)	67	Chairperson of the Board
Shlomo Bibas (1)(2)(4)	56	Director
Ilan Flato (1)(2)(3)(4)	69	Director
Vineet Malhotra (1)(2)(4)	53	Director
Uzi Moskovich	62	Director

(1) Member of our audit committee

(2) Member of our compensation committee

(3) Member of our nominating and governance committee

(4) Independent director under the rules of Nasdaq

(5) On March 31, 2026, Noah Hershcoviz resigned from his position as Chief Executive Officer and a member of the Board of Directors, effective immediately. Renah Persofsky, our Chairperson of the Board, has taken on a greater role in HUB's management while we seek a replacement for Mr. Hershcoviz.

During May 2026, John Rogers, President of the Americas Region, and Paul Parisi, Chief Revenue Officer, resigned from their positions, effective immediately.

During June 2026, Nachman Geva, our Chief Technology Officer, and Shai Schiller, our Head of Strategy, resigned from their positions, effective immediately.

Executive Officers

Limor Zur-Stoller has served as our Chief Financial Officer since January 2026. Prior to joining HUB, Ms. Zur-Stoller served as Chief Financial Officer of Xjet Ltd. From 2021 to 2023, she served as Chief Financial Officer of HIL Applied Medical, from 2020 to 2021, as Chief Financial Officer of Smart Agro, from 2018 to 2020, as Chief Financial Officer of Rootility Ltd. and from 2016 to 2018, as Chief Financial Officer of Nutrinia Ltd. From 2008 to 2016, she served as Chief Financial Officer of Rosetta Genomics Ltd., Rosetta Green Ltd., a spin-off from Rosetta Genomics and then became Israel Finance Lead of Monsanto Inc. following their purchase of Rosetta Green. Ms. Zur-Stoller is a certified CPA and holds an M.B.A. degree in Business Administration and Finance and a B.A. in Accounting and Economics.

Tuvia Grossman has served as our General Counsel and Chief Legal Officer since January 2025. Prior to joining HUB, Mr. Grossman served as the General Counsel and Chief Legal Officer of Pangea IT Ltd., a hi-tech company providing biometrically secured technology and big data solutions for the governmental sector, from 2014 to 2024. From 2012 to 2014, he served as the Director of Legal & Business Affairs of Tahal Water Energy Ltd. From 2010 to 2012, he served as a lawyer at ERM Law, from 2005 to 2010, he served as a lawyer at Gornitzky & Co. and from 2004 to 2005, at the Supreme Court of Israel. Mr. Grossman holds a J.D. degree in Law from Chicago-Kent University of Law.

Directors

Renah Persofsky has served as a member of HUB's Board of Directors since November 2024 and as Active Chairperson of HUB's Board of Directors since March 2025. Ms. Persofsky has over 40 years of wide-ranging business experience. She served as the Chief Executive Officer of Strajectory Corp. from 2010 to November 2024 and served as an executive consultant of Canadian Imperial Bank of Commerce (NYSE: CM) from 2012 to 2023. Ms. Persofsky served as the Chairwoman of BookJane Corp. from 2016 to 2022, as a director of Greenlane Holdings (Nasdaq: GNLN) from 2022 to 2025, as a director at Oceansix Future Paths Ltd. (TSXV: OSIX) (f/k/a K.B. Recycling Industries Ltd.) from 2021 to 2025 and as a director of Alkemy Solutions from 2021 to 2025. She has served as a director of Tilray Brands, Inc. (Nasdaq: TLRY) (f/k/a Aphria Inc.) since 2017 and the Vice Chairwoman and Lead Director since October 2019 as the Chairwoman of Green Gruff Inc. since 2020, as a director of Hydrofarm LLC since 2020 and as a director of Gauzy Ltd. since March 2026. Ms. Persofsky has also previously served as an executive consultant to many iconic brands including Tim Hortons, Canadian Tire (OTCMKTS: CDNAF), Canada Post and Interac, and was an executive officer of the Bank of Montreal (NYSE: BMO). Ms. Persofsky previously co-chaired the Canadian Minister's Advisory Committee on Electronic Commerce, and she also served as a special advisor to Canada's Minister of Foreign Affairs and Trade. Ms. Persofsky received her degree from the Rotman School of Management at the University of Toronto.

Shlomo Bibas has served as a member of HUB's Board of Directors since April 2025. From August 2022 to August 2025, Mr. Bibas served as Senior Vice President Operations and Chief Technology Officer at the Woodbridge Group. From 2018 to 2022, he served as Senior Vice President and Global Chief Information Officer at Celestica Inc. From 2012 to 2018, he served as Senior Vice President Global Operations and Chief Information Officer at Apotex Inc. Prior to that, Mr. Bibas was a Partner at Accenture, where he led the Canadian High-Tech practice and held several international assignments. Mr. Bibas served as Independent Director of the Board of Aphria Inc. (now Tilray Brands, Inc.) from 2018 to 2021 and has served as a director at Gauzy Ltd. since March 2023. Since 2007, Mr. Bibas has served on the boards of various private, public, for-profit and not-for-profit organizations. From 2018 to 2025, he served as Vice Chairman of the Board of Cayuse Technologies LLP and from 2013 to 2017, he served as a director at Indigena Solutions. Mr. Bibas holds a B.A.Sc. in Mechanical Engineering from the University of Toronto and an ICD.D designation from the Rotman School of Management and the Institute of Corporate Directors.

Ilan Flato has served as a member of HUB's Board of Directors since April 2023. Mr. Flato has served as President of The Association of Publicly Traded Companies on the Tel-Aviv Stock Exchange since January 2012. From 2009 until 2018, Mr. Flato served as a director at two Israeli 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 of Kibbutz Naan. Since 2004, Mr. Flato has functioned as an independent financial adviser. Until 2004, Mr. Flato served as the VP for planning, economics and online banking at United Mizrahi Bank 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 Israeli Treasury Office as the deputy director of the budget department. Additionally, Mr. Flato served as a director of Tower Semiconductor Ltd. from February 2009 until July 2025. Mr. Flato has also served as a member of the board of directors of many government-owned companies. Mr. Flato holds a B.A. degree in economics from Tel-Aviv University, an LL.B. degree from Netanya College, an M.A. degree in law from Bar-Ilan University and an MSIT from Clark University.

Vineet Malhotra has served as a member of our board of directors since December 2025. Mr. Malhotra has served as the Chief Executive Officer and Co-Founder of Monie Payments Corp., a fintech company developing digitally disruptive payment solutions across North America, since 2023. From 2004 to 2023, Mr. Malhotra held several senior executive positions at Canadian Imperial Bank of Commerce (CIBC), including Managing Director and Head of the Alternate Solutions Group and Chief Executive Officer of Simplii Financial, CIBC's Canadian direct banking brand launched in 2017 and serving approximately two million clients. Prior to joining CIBC, Mr. Malhotra held leadership roles at Manulife Financial from 1999 to 2004 and at IBM Global Services from 1995 to 1999, after beginning his career at Ernst & Young in 1994. Mr. Malhotra holds a B.A. in Mathematics, Finance and Accounting from Wilfrid Laurier University in Waterloo, Canada, and has attended the Executive Education Program at Harvard Business School.

Uzi Moskovich has served as a member of our board of directors since June 2021. Mr. Moskovich served 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 our Chairman from April 2022 to February 2023. Mr. Moskovich has served as the Chief Executive Officer of Interionet since March 2024. Prior to that, Mr. Moskovich served as Chief Executive Officer of Wave Guard Technologies Ltd. from February 2019 to January 2023. Mr. Moskovich served as a Vice President at Israel Aerospace Industries (IAI) from January 2017 to November 2018. Mr. Moskovich served as a member of the board of directors of BrandShield Systems Plc (LSE: BRSD.L) from 2019 to 2023 and Migdal Insurance and Financial Holdings Ltd (TASE: MGDL.TA) from 2017 to 2021. Mr. Moskovich received a B.Sc. degree in Aeronautical Engineering from the Technion Israel Institute of Technology in Haifa, Israel, an M.B.A. from New York University and an 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, 2025, was approximately $3,365,632.

The following is a summary of the salary expenses and social benefit costs of our five most highly compensated executive officers in 2025, 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, 2025[(1)]. U.S. dollar amounts indicated for compensation of our Covered Executives are in dollars.

Name and Principal Position[(2)]	Base Salary ($)[(3)]	Variable compensation ($)	Equity-Based Compensation ($)[(4)]	Total ($)
Noah Hershcoviz				
Former Chief Executive Officer and Director[(5)]	564,468	451,289	206,225	1,221,982
Lior Davidsohn				
Former Interim CFO[(6)]	374,176	-	-	374,176
Nachman Geva				
Former Chief Technology Officer[(7)]	367,851	-	138,268	506,119
Shai Schiller				
Former Head of Strategy[(8)]	435,416	-	104,785	540,201
Tuvia Grossman				
General Counsel and Chief Legal Officer	479,246	-	239,848	719,094

(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 2025.

(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, 2025 with respect to equity-based compensation grants. The relevant amounts underlying the equity awards granted to our officers during 2025, will continue to be expensed in our financial statements over a four-year period during the years 2025 – 2028 on account of the 2025 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) Noah Hershcoviz served as Chief Executive Officer from December 2023 and as a member of HUB's board of directors from October 2023 until he resigned from those positions on March 31, 2026.

(6) Lior Davidsohn served as Interim Chief Financial Officer from February 2024 to December 2025. Limor Zur-Stoller was appointed Chief Financial Officer in January 2026.

(7) Nachman Geva served as Chief Technology Officer from January 2024 until he resigned from his position in June 2026.

(8) Shai Schiller served as Head of Strategy from October 2023 until he resigned from his position in June 2026.

At our annual general meeting of shareholders in December 2025, our shareholders approved the following compensation payable to each of our directors in respect of 2026 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 directors 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 and Governance 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 15 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; and

- On the date of each annual general meeting, each non-executive director is granted RSUs with a value based on the closing market price of our Ordinary Shares on the Nasdaq Stock Market on the date of grant (or the next trading day). If a director serves on multiple committees, they are entitled to the aggregate value of all applicable positions listed below: Position Chair Member Board of Directors $400,000 $130,000 Audit Committee $150,000 $50,000 Compensation Committee $150,000 $50,000 Nominating and Governance Committee $150,000 $50,000

Position	Chair	Member
Board of Directors	$ 400,000	$ 130,000
Audit Committee	$ 150,000	$ 50,000
Compensation Committee	$ 150,000	$ 50,000
Nominating and Governance Committee	$ 150,000	$ 50,000

Each grant of RSUs vests in eight equal monthly installments, subject to continued service, with the first vesting date occurring one month from the date of grant. Directors appointed between annual meetings receive a pro-rata RSU grant on their date of appointment. The grant value is calculated based on the number of months elapsed since the preceding annual meeting.

RSUs issued to U.S.-resident directors shall be classified as non-qualified, while RSUs 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").

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, 2025, 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 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 and 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, 2025, there were 13,559 ordinary shares reserved and available for issuance under the 2021 Plan (before adjustment for the 1-for-15 reverse split effected on January 15, 2026, the 1-for-50 reverse split effected on April 20, 2026 and the 1-for-20 reverse split effected on June 5, 2026). 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 States 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"), restricted shares, 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 ninety days 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 and 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. See below under "—External directors."

In March 2025, the Constitution, Law and Justice Committee of the Israeli Parliament approved the version of a proposed amendment to the Companies Law relating to public companies without a controlling shareholder, such as HUB. The Parliament is expected to vote on such amendment in the near future for the purpose of final enactment. If enacted, the amendment is expected to go into effect 12 months after its official publication. The proposed amendment would apply various corporate governance requirements that are believed to be better suited to companies with decentralized ownership structures.

Generally, the proposed amendment includes, among other things, lowering the threshold for the presumption of 'control' from 50% to 25% of the means of control of the company; changes to the composition of the board of directors (generally, the replacement of the requirement to appoint two "external directors" with the requirement to appoint a majority of "independent directors"); the nomination of candidates for the position of director on behalf of the board of directors by an independent nomination committee; the requirement to approve extraordinary transactions with "significant holders" (holding 10% or more of the voting rights in a company) by the audit committee and board of directors; the requirement to approve extraordinary transactions with directors, their relatives or entities controlled by them (even if not compensation related) by the audit committee, board of directors and shareholders (by a simple majority); and the requirement that the term of office of a director expire no later than the third annual general meeting (without preventing re-appointment for additional terms), provided that at any given time, the terms of at least half of the directors will expire at the next two annual general meetings. As a Nasdaq-listed company, we are already subject to some of these requirements, such as a majority of independent directors and a nominating committee.

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 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 director is Ilan Flato, and his term will expire at the annual general meeting of shareholders to be held in 2026;
- the Class II directors are Uzi Moskovich and Vineet Malhotra, and their terms will expire at our annual meeting of shareholders to be held in 2027; and
- the Class III directors are Shlomo Bibas and Renah Persofsky, and their terms will expire at our annual meeting of shareholders to be held in 2028.

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.

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 Chairperson 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. Renah Persofsky serves as non-executive Active Chairperson 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 Chairperson 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 these requirements under the Companies Law.

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, Renah Persofsky, Shlomo Bibas and Vineet Malhotra. 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 Renah Persofsky 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 Shlomo Bibas, Renah Persofsky, Ilan Flato and Vineet Malhotra. Shlomo Bibas 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 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, was filed as an exhibit to our Annual Report filed on August 16, 2024, and amended on October 22, 2024.

Nominating and Governance Committee

Our nominating and governance committee consists of Renah Persofsky, Shlomo Bibas and Ilan Flato. Renah Persofsky serves as chairperson of the nominating and governance committee. Our board of directors has adopted a nominating and governance 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 Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report, 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

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, 2025, we had a total of 310 employees or full-time employee equivalents worldwide, including:

- 21 employees or full-time employee equivalents in the corporate functions and headquarters.
- 20 employees or full-time employee equivalents in the Technology and Product Division.
- 269 employees or full-time employee equivalents in the Professional Services Division.

The Company has implemented a comprehensive restructuring, during which the Board and management team have taken steps to improve liquidity, simplify the Company's organizational structure, cut operating costs and strengthen corporate governance. As part of this plan, the Company has substantially reduced operating expenses, eliminating many external consultants and contractors and reducing headcount solely at the HUB level by approximately 50%. During May and June 2026, we executed a targeted workforce reduction of approximately 10% of our employees or full-time employee equivalents in order to improve our operational efficiency. Most of the reduction was related to the cessation of activities in the BST business.

We adhere to applicable 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. None of our employees are represented by a labor union, and HUB considers its employee relations to be in good standing. 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

There was no erroneously awarded compensation that was required to be recovered pursuant to the HUB Cyber Security Ltd. Policy for Recovery of Erroneously Awarded Compensation during the fiscal year ended December 31, 2025.

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 June 30, 2026 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 June 30, 2026. 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 the date hereof 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 30 Hacharoshet Street, Or Yehuda, Israel.

All amounts in the table have been adjusted for the 1-for-15 reverse split effected on January 15, 2026, the 1-for-50 reverse split effected on April 20, 2026 and the 1-for-20 reverse split effected on June 5, 2026.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	% of Outstanding Shares
5% or Greater Shareholders		
None		
Directors and Executive Officers of HUB:		
Limor Zur-Stoller	–	–
Tuvia Grossman (1)	2	*
Shlomo Bibas (2)	44	*
Renah Persofsky (3)	71	*
Ilan Flato (4)	39	*
Uzi Moskovich (5)	15	*
Vineet Malhotra (6)	22	*
All executive officers and directors as a group (7 individuals)	193	*

* Less than 1% of our outstanding ordinary shares.

(1) Consists of 2 ordinary shares. Does not include 1 restricted share unit which has been granted but has not vested and will not vest within 60 days of June 30, 2026.

(2) Consists of 30 ordinary shares and 14 restricted share units. Does not include 24 restricted share units which have been granted but have not vested and will not vest within 60 days of June 30, 2026.

(3) Consists of 45 ordinary shares and 26 restricted share units. Does not include 41 restricted share units which have been granted but have not vested and will not vest within 60 days of June 30, 2026.

(4) Consists of 25 ordinary shares and 14 restricted share units. Does not include 23 restricted share units which have been granted but have not vested and will not vest within 60 days of June 30, 2026.

(5) Consists of 10 ordinary shares and 5 restricted share units. Does not include 8 restricted share units which have been granted but have not vested and will not vest within 60 days of June 30, 2026.

(6) Consists of 13 ordinary shares and 9 restricted share units. Does not include 13 restricted share units which have been granted but have not vested and will not vest within 60 days of June 30, 2026.

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 June 30, 2026, there were 12 registered holders of our ordinary shares (one of which, Cede & Co., is a United States registered holder, holding approximately 4,309,755 shares, which represents 71.55% 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, 2025 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.

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 and restricted shares to our executive officers and directors.

Exculpation, indemnification, and insurance. The Articles permit us to exculpate, indemnify and insure certain of our 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 former Chief Executive Officer and director, is an affiliate. Specifically, we entered into the BST merger agreement with BST, a company in which Mr. Hershcoviz served as a director and in which a company wholly-owned by Mr. Hershcoviz held shares, with an effective date of January 15, 2025. In addition, Mr. Hershcoviz serves as Managing General Partner of The 12.64 Fund, which was a significant shareholder of BST. See Item 5.B. "Liquidity and Capital Resources—Financings" and Item 4.A. "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 served as Managing Partner, Head of Investment Banking, as further described in Item 5.B. "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 27 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 $1,500,000 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 private placement in connection with the closing of our business combination with Mount Rainier Acquisition Corp., a Delaware special purpose acquisition company, in 2023 (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 NIS 4.81, which warrants shall be exercisable for 4 years and at an exercise price of NIS 72,150 (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 remain unpaid fees of $3,298,000 under the A-Labs Agreement.

On November 6, 2025, we entered into a settlement agreement with each of A-Labs, MOFO Holdings LLC and Viserion Ltd. (the "PIPE Investors"), which had entered into subscription agreements with us to invest an aggregate of $50 million in the PIPE Financing. After all the other closing conditions for the business combination were met, we decided to proceed with the closing despite not having received the funds payable under the Subscription Agreements from the PIPE Investors. The signing of the settlement agreements followed a mediation process, which was approved by our Audit Committee and Board of Directors, and by our shareholders on December 16, 2025. According to the settlement agreement, taking into account the parties' respective claims and the various agreements between them, no funds or other form of consideration shall be paid or transferred from the PIPE Investors to us, and we shall not pay any funds or any other form of consideration to any of the PIPE Investors, all in exchange for full and absolute waivers by the parties toward each other (including shareholders, officers, directors parent and subsidiaries thereof, and anyone acting on behalf of any of them).

Additionally, according to the settlement, we will repay to A-Labs the amount outstanding in connection with a secured loan extended by A-Labs to us on January 17, 2023 in the amount of $900,000, which with original issuance discount and accrued interest amounts to $1,800,000. The repayment will be in the form of our ordinary shares based on the lowest closing price of the ordinary shares on Nasdaq during the five trading days preceding the date of the shareholders' approval, which was on December 16, 2025. The shares will be subject to the following lock-up periods: 40% of the shares will be restricted for a period of 40 days, 30% will be restricted for a period of 70 days, 25% will be restricted for a period of 100 days and 5% will be restricted for a period of 130 days. The 5% tranche will be subject to a one-time upward or downward adjustment to the extent that the sum of (i) the proceeds from the sale of shares by A-Labs and (ii) the current market value of the shares held by A-Labs are less than or greater than $1,800,000, respectively. A-Labs must make reasonable commercial efforts to maximize the consideration it receives for the sale of shares. The sale of shares by A-Labs on Nasdaq on any trading day may not exceed 5% of the current day's trading volume of the ordinary shares thereon.

As of March 31, 2026, Mr. Hershcoviz no longer serves as our Chief Executive Officer and no longer serves as a member of our board of directors.

In April 2026, we received a letter addressed to our directors from counsel to A-Labs, demanding that we pay the $1,800,000 plus interest. In May 2026, the Company's counsel responded by rejecting all allegations raised by A-Labs in their letter.

In addition, on April 16, 2026, an application was filed against the Company to hold it liable for a judgment awarded against A-Labs in favor of Teshua Ltd., based on the alleged amount of $1,800,000. The Company explained that it was unable to realize the shares due to an attachment imposed on A-Labs and/or its representatives, and that, in any event, at present the matter does not concern the amount alleged by A-Labs, but rather shares whose value is substantially lower. A hearing on this matter is scheduled for July 21, 2026.

Private Placement with Chairman. In January 2023, we entered into an agreement with our former Chairman of our Board of Directors, 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.

Legal Proceedings

For information regarding legal proceedings, see Note 22 to our audited consolidated financial statements for the year ended December 31, 2025 included in this Annual Report.

Legal Proceedings That Were Resolved in 2025

1. The law firm of Amit Pollak Matalon filed a claim on April 23, 2025, for NIS 441,624 in unpaid legal fees for services to BlackSwan Technologies, Inc. On July 21, 2025, the court approved a settlement requiring the Company to pay NIS 461,624 (including expenses) to dismiss the claim, which has been paid. The Company has recognized a provision in its financial statements in respect of this matter.

2. A claim was filed against BlackSwan Technologies, Inc. by 8 Allocate OU in a U.S. court on April 4, 2024, for $178,738. The case resulted in a default judgment of $148,348 on January 29, 2024. On November 10, 2025, the plaintiff sought court permission to file subpoenas and restraining notices against the Company and its affiliates to compel production of documents or assets belonging to BlackSwan, which would be used to satisfy the judgment. On November 28, 2025, a lien was placed on the bank account of a Company subsidiary. On December 10, 2025, the Company paid the judgment in full and the lien was released.

3. On October 27, 2024, a claim was filed against Comsec for NIS 145,922 in unpaid social benefits for Comsec employees insured by the Phoenix Insurance Company Ltd. The amounts were paid on September 3, 2025, and the claim was dismissed at the request of the parties.

4. On July 17, 2025, a claim was filed against the Company for NIS 81,950 in unpaid social benefits for employees insured by the Phoenix Insurance Company Ltd. The payments were subsequently made, and the claim was dismissed on September 16, 2025.

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

None.

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.

BST Merger Agreement

On January 27, 2025, HUB consummated an Agreement and Plan of Merger with BST, pursuant to which BST and its subsidiaries became subsidiaries of HUB. We paid a purchase price of $41.6 million for the transaction, which was accounted for as an asset acquisition. We subsequently divested four of the BST subsidiaries that were not integrated into our business operations. As a result of the acquisition, HUB issued to BST equityholders 197 ordinary shares and pre-funded warrants to purchase 44 ordinary shares of HUB. The exercise of the pre-funded warrants is limited to the extent that, upon exercise, the holder and its affiliates hold more than 4.99% of the Company's outstanding ordinary shares. The ordinary shares issued in the transaction are also subject to transfer restrictions. We have not been successful in achieving the strategic plans we had for the secured data fabric business due to financial, development and other challenges, and as a result, as of December 31, 2025, we recorded a full impairment with respect to the technology asset acquired in the BST acquisition. During June 2026 we ceased BST's operations, terminated BST's main commercial contract and terminated the employees of this 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 2,500,000 was already paid as of June 5, 2024). As of date of this annual report, the total amount has been fully paid.

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. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

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" during 2014 and thereafter 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 benefit from 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 2026), 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 2025 and 2026) and a marginal tax rate of up to 47% for an individual in 2026, not including surtax), 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.

A non-Israeli resident who realizes capital gains derived from the sale of our ordinary shares 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).

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 (i) 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 2025 through 2027, which amount will be updated annually starting January 1, 2028, based on the changes to the Israeli consumer price index (the "Threshold Amount"), and (ii) an additional tax at a rate of 2% on annual "Capital Income" (including capital gains, dividends, and interest, other than income according to Section 2(1) or 2(2) of the Ordinance or income from personal exertion) exceeding the Threshold Amount.

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 2025. 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 short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not 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

Though we operate internationally, our operations are primarily located in Israel and the majority of our expenses are denominated in NIS. As a result, fluctuations in foreign currency rates may affect our business and operations.

In addition, our financial results are reported in USD, and changes in the exchange rate between the USD and local currencies in those countries in which we operate (primarily the NIS) 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 2025, the value of the U.S. dollar weakened against the NIS by approximately 12.53%. Our most significant foreign currency exposures are related to our operations in Israel.

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.

Our exposure to the risk of changes in market interest rates relates primarily to our long-term liabilities with floating interest. This risk is of primary focus to us given our current dependency on debt financing and the ability to obtain future debt financing. We manage our interest rate risk by seeking to have a balanced portfolio of fixed and variable rate loans.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

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 Principal Executive Officer and 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 Principal Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2025. Based upon that evaluation, our Principal Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were not effective due to the material weaknesses identified by management, as described below. Our disclosure controls 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 Principal 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, 2025, 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, 2025, 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 continued to identify material weaknesses in our internal control over financial reporting as of December 31, 2023 and 2024, which had not been remedied as of December 31, 2025.

These included: (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 including 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 (vi) 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).

During the fourth quarter of 2024 and throughout 2025, we undertook certain corrective action in order to address and remediate these material weaknesses including (i) the recruitment of additional financial personnel in our finance department with an appropriate level of knowledge and experience; (ii) the establishment of risk and control matrices and implemented controls over material business processes; (iii) the design of operation of procedures related to timely closing of financial books, including the assignment of clear responsibilities, deadlines and appropriate segregation of duties; (iv) the formalization of signatory rights; and (v) establishment of controls over the change management process and permissions to the financial system. However, since the implementation of these controls only commenced in the fourth quarter of 2024 and throughout 2025, these controls were not in place for a sufficient period of time to allow management to conclude they were operating effectively throughout a significant portion of the fiscal year ended December 31, 2025. Accordingly, management concluded that internal control over financial reporting was not effective as of December 31, 2025, due to these material weaknesses. We intend to continue to 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 intend to take further action as necessary or appropriate to address any other matters we identify or are brought to our 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 have been taking or that we take in the future 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 3.D. Risk Factors – Risks Related to Our Business and Industry – 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."

(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, Renah Persofsky and Vineet Malhotra 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

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, 2024 and 2025, and breaks down these amounts by category of service:

	2025	2024
	(in thousands)	
Audit Fees	$ 775	$ 1,100
Audit Related Fees	214	450
Tax Fees	75	200
Total	1,064	1,750

Audit Fees

Audit fees for the years ended December 31, 2025 and 2024 include fees for the audit of our annual financial statements. This category also includes services that the independent accountant generally provides, such as assistance with and review of documents filed with the SEC.

Audit Related Fees

Audit related fees relate to assurance and associated services that traditionally are performed by the independent auditor, statutory tax reports and consents.

Tax Fees

Tax fees for the years ended December 31, 2025 and 2024 were related to ongoing tax, 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 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

We have adopted an Insider Trading Policy which governs the purchase, sale and other dispositions of our securities by our directors, officers, employees and contractors that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations and the listing standards of Nasdaq. A copy of our Insider Trading Policy is filed as Exhibit 11.1 to this Annual Report.

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 Chief Financial Officer, VP Information Technology, Chief Information Security Officer and General Counsel 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 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.	20-F	001-41634	1.2	August 16, 2024	
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, as amended	20-F	001-41634	4.4	May 1, 2025	
4.5††	2021 Employee Stock Option Plan, as amended	20-F	001-41634	4.5	May 1, 2025	
4.6	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	
4.7	Form of Amended and Restated Convertible Note dated November 22, 2024	20-F	001-41634	4.9	May 1, 2025	
4.8	Form of Registration Rights Agreement dated February 28, 2023	20-F	001-41634	4.10	August 15, 2023	
4.9	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	
4.10	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	
4.11	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	

4.12	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
4.13	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
4.14	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
4.15	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
4.16	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
4.17	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
4.18	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.	20-F	001-41634	4.26	August 16, 2024
4.19	Form of Amendment to Securities Purchase Agreement by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.	20-F	001-41634	4.26	May 1, 2025
4.20	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.	20-F	001-41634	4.27	August 16, 2024
4.21	Form of Warrant issued by HUB Cyber Security Ltd. to First 2023-2024 Accredited Investors.	20-F	001-41634	4.28	August 16, 2024
4.22	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.	20-F	001-41634	4.29	August 16, 2024

4.23	Form of Amendment to Securities Purchase Agreement by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.	20-F	001-41634	4.30	May 1, 2025
4.24	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.	20-F	001-41634	4.30	August 16, 2024
4.25	Form of Warrant issued by HUB Cyber Security Ltd. to Second 2023-2024 Accredited Investors.	20-F	001-41634	4.31	August 16, 2024
4.26	Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and March-November 2024 Investor.	20-F	001-41634	4.32	August 16, 2024
4.27	Amendment to Securities Purchase Agreement, Warrant and Note, dated April 3, 2024.	20-F	001-41634	4.33	August 16, 2024
4.28	Second Amendment to Securities Purchase Agreement, Warrants and Notes, dated June 26, 2024.	20-F	001-41634	4.34	August 16, 2024
4.29	Third Amendment to Securities Purchase Agreement, Warrants and Notes, dated November 5, 2024.	20-F	001-41634	4.36	May 1, 2025
4.30	Fourth Amendment to Securities Purchase Agreement, Warrants and Notes, dated February 17, 2024.	20-F	001-41634	4.37	May 1, 2025
4.31	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and March-November 2024 Investor.	20-F	001-41634	4.35	August 16, 2024
4.32	Form of Warrant issued by HUB Cyber Security Ltd. to March-November 2024 Investor.	20-F	001-41634	4.36	August 16, 2024
4.33	Fifth Amendment to Securities Purchase Agreement dated August 16, 2025 between Hub Cyber Security Ltd. and Tamas Gottdiener.	F-1	333-289996	10.40	September 3, 2025
4.34	Note Purchase and Assignment Agreement dated August 20, 2025 between Tamas Gottdiener and Seven Knots, LLC.	F-1	333-289996	10.41	September 3, 2025

4.35	Form of Amended and Restated Warrant to Purchase Ordinary Shares issued by HUB Cyber Security Ltd. to March-November 2024 Investor.	20-F	001-41634	4.40	May 1, 2025
4.36	Form of Pre-funded Warrant issued by HUB Cyber Security Ltd. to March-November 2024 Investor.	20-F	001-41634	4.41	May 1, 2025
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.#†	20-F	001-41634	4.37	August 16, 2024
4.38	Loan and Security Agreement, dated December 4, 2023, among HUB Cyber Security Ltd. and BlackSwan Technologies, Inc.	20-F	001-41634	4.38	August 16, 2024
4.39	First Amendment to Convertible Loan Agreement, dated August 17, 2023, by and between HUB Cyber Security Ltd. and Shayna LP	20-F	001-41634	4.39	August 16, 2024
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	20-F	001-41634	4.40	August 16, 2024
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	20-F	001-41634	4.41	August 16, 2024
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	20-F	001-41634	4.42	August 16, 2024
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.	20-F	001-41634	4.43	August 16, 2024

4.44	Specimen Warrant Certificate of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	4.8	November 17, 2022
4.45	Form of Securities Purchase Agreement, dated as of August 18, 2024, between HUB Cyber Security Ltd. and the investors identified on the signature pages thereto	F-1	333-282109	10.42	September 13, 2024
4.46	Form of Convertible Note issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.43	September 13, 2024
4.47	Form of Warrant issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.44	September 13, 2024
4.48	Form of Placement Agent Warrant issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.45	September 13, 2024
4.49	Business Combination Agreement, dated as of March 23, 2022, by and among HUB Cyber Security Ltd., Mount Rainier Acquisition Corp. and Rover Merger Sub.	F-4	333-267035	2.1	September 13, 2024
4.50	Collaboration and Option Agreement by and between HUB Cyber Security Ltd. and BlackSwan Technologies, Inc.	F-1	333-282109	10.47	September 13, 2024
4.51	English Translation of Form of Debt Settlement Agreement, dated December 19, 2024, between Bank Mizrahi-Tefahot Ltd., Comsec Ltd., Comsec Distribution Ltd. and Hub Cyber Security Ltd.	F-1/A	333-282109	10.49	December 31, 2024
4.52	Form of Loan Agreement dated December 30, 2024, by and between HUB Cyber Security Ltd. and J.J. Astor & Co.	F-1/A	333-282109	10.50	December 31, 2024
4.53	Form of Registration Rights Agreement dated December 30, 2024, by and between HUB Cyber Security Ltd. and J.J. Astor & Co.	F-1/A	333-282109	10.51	December 31, 2024
4.54	Form of December 2024 Warrant	F-1/A	333-282109	10.52	December 31, 2024
4.55	Form of December 2024 Convertible Note	F-1/A	333-282109	10.53	December 31, 2024
4.56	Form of Pledge and Security Agreement	F-1/A	333-282109	10.54	December 31, 2024
4.57	Form of Subsidiary Guarantee	F-1/A	333-282109	10.55	December 31, 2024

4.58	Form of Loan Agreement dated February 4, 2025, by and between HUB Cyber Security Ltd. and Julestar LLC	20-F	001-41634	4.63	May 1, 2025
4.59	Form of Registration Rights Agreement dated February 4, 2025, by and between HUB Cyber Security Ltd. and the investors thereto	20-F	001-41634	4.64	May 1, 2025
4.60	Form of Julestar Warrant	20-F	001-41634	4.65	May 1, 2025
4.61	Form of Julestar Promissory Note	20-F	001-41634	4.66	May 1, 2025
4.62	Form of Subsidiary Guarantee	20-F	001-41634	4.67	May 1, 2025
4.63	Note Purchase Agreement dated February 18, 2025 between HUB Cyber Security Ltd. and Claymore Capital Pty Ltd.,	20-F	001-41634	4.68	May 1, 2025
4.64	Form of Convertible Note issued by HUB Cyber Security Ltd. on February 18, 2025	20-F	001-41634	4.69	May 1, 2025
4.65	Confidential Settlement Agreement and General Release effective February 19, 2025 between Oppenheimer & Co., HUB Cyber Security Ltd. and Claymore Capital Pty Ltd.,	20-F	001-41634	4.70	May 1, 2025
4.66	Note Purchase Agreement dated February 20, 2025 between HUB Cyber Security Ltd. and Claymore Capital Pty Ltd.,	20-F	001-41634	4.71	May 1, 2025
4.67	Form of Convertible Note issued by HUB Cyber Security Ltd. on February 20, 2025	20-F	001-41634	4.72	May 1, 2025
4.68	Forbearance and Settlement Agreement dated February 20, 2025 by and between Dominion Capital LLC and HUB Cyber Security Ltd.	Schedule 13D/A	005-94107	99.7	April 23, 2025
4.69	Form of Promissory Note	20-F	001-41634	4.74	May 1, 2025
4.70	Ordinary Share Purchase Agreement dated March 11, 2025, by and between HUB Cyber Security Ltd. and Keystone Capital Partners, LLC	20-F	001-41634	4.75	May 1, 2025

4.71	Form of Registration Rights Agreement dated March 11, 2025, by and between HUB Cyber Security Ltd. and Keystone Capital Partners, LLC	20-F	001-41634	4.76	May 1, 2025	
4.72	Form of Commitment Note dated March 11, 2025	20-F	001-41634	4.77	May 1, 2025	
4.73	Agreement and Plan of Merger, dated as of January 15, 2025, by and among BlackSwan Technologies, Inc., Hub Cyber Security Ltd., BST Merger Sub, Inc., and Ranan Grobman	20-F	001-41634	4.78	May 1, 2025	
4.74	Commitment Note dated May 28, 2025	F-1	333-289996	10.82	September 3, 2025	
4.75	Loan Agreement dated February 21, 2025, by and between Hub Cyber Security Ltd. and PrivCap Funding, LLC.	F-1	333-289996	10.83	September 3, 2025	
4.76	Settlement Agreement dated August 6, 2025, by and among Hub Cyber Security Ltd. and PrivCap Funding LLC and Daniel Cohen.	F-1	333-289996	10.84	September 3, 2025	
4.77†^	Securities Purchase Agreement dated August 27, 2025, by and among Hub Cyber Security Ltd. and the purchasers thereto	F-1	333-289996	10.85	September 3, 2025	
4.78	First Amendment to Securities Purchase Agreement dated October 15, 2025, by and among Hub Cyber Security Ltd. and the purchasers thereto, with form of Amended and Restated Subordinated Convertible Note					*
4.79	Second Amendment to Securities Purchase Agreement dated December 31, 2025, by and among Hub Cyber Security Ltd. and the purchasers thereto					*
4.80	Registration Rights Agreement dated August 27, 2025 by and among Hub Cyber Security Ltd. and the undersigned purchasers thereto	F-1	333-289996	10.87	September 3, 2025	
4.81	Form of Warrant	F-1	333-289996	10.88	September 3, 2025	
4.82	Form of Warrant Issuance Letter Agreement dated July 14, 2025	F-1	333-289996	10.90	September 3, 2025	
4.83	Form of Warrant dated July 14, 2025	F-1	333-289996	10.91	September 3, 2025	
4.84	Form of Subscription Agreement	F-1	333-289996	10.92	September 3, 2025	
4.85	Form of Pre-Funded Warrant	F-1	333-289996	10.93	September 3, 2025	
4.86	Convertible Promissory Note dated August 20, 2025	F-1	333-289996	10.94	September 3, 2025	
4.87	Master Exchange Agreement, dated September 17, 2025					*
4.88	Form of Note					*

4.89	Form of Purchase Agreement, dated as of June 26, 2026, by and among HUB Cyber Security Ltd. and the Evofem Sellers party thereto	6-K	001-41634	99.1	July 1, 2026	
4.90	Form of Pre-Funded Warrant for Evofem Sellers	6-K	001-41634	99.2	July 1, 2026	
8.1	List of Subsidiaries					*
11.1	Insider Trading Policy of HUB Cyber Security Ltd.					*
12.1	Principal Executive Officer and Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
13.1	Principal Executive Officer and 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.

^ Portions of this exhibit (indicated by asterisks) have been omitted under rules of the U.S. Securities and Exchange Commission permitting the confidential treatment of select information.

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: July 17, 2026

By: /s/ Limor Zur-Stoller
Name: Limor Zur-Stoller
Title: Chief Financial Officer
(as Principal Executive Officer)

HUB CYBER SECURITY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025

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Kost Forer Gabbay & Kasirer
144 Menachem Begin Road, Building A
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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 financial position of HUB Cyber Security Ltd. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of profit or loss, comprehensive loss, changes in shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2025, 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 at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 1b to the financial statements, the Company has suffered recurring operating losses and, as of December 31, 2025, has an accumulated deficit of $346,032 thousand, a working capital deficiency of $119,524 thousand, and net cash used in operating activities of $31,398 thousand for the year ended December 31, 2025, 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 1b. The most recent year consolidated financial statements 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 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 included 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 2021.

Tel-Aviv, Israel
July 17, 2026

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
USD in thousands

	Note	December 31, 2025	December 31, 2024
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6	1,763	3,085
Restricted cash and bank deposit		681	528
Trade receivables, net	7	8,778	7,897
Other assets	8	4,881	6,892
		16,103	18,402
NON-CURRENT ASSETS:			
Long-term restricted deposit		216	165
Property and equipment, net	10	348	487
Right-of-use assets	9	1,711	2,151
Goodwill	11	2,142	1,874
Intangible assets, net	11	827	4,337
Deferred taxes	25	151	-
		5,395	9,014
		21,498	27,416

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, 2025	December 31, 2024
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term loans	13	13,983	13,534
Convertible loans	17	1,626	24,763
Trade payables	14	9,825	8,200
Current maturities of lease liabilities	9	1,155	975
Current maturities of other liabilities	11c	5,430	5,244
Warrants liabilities*	17	2,684	13,884
Other accounts payable	15	43,168	39,474
Convertible loans measured at fair value	15	57,756	-
		135,627	106,074
NON-CURRENT LIABILITIES:			
Long-term liabilities	16	317	217
Lease liabilities	9	709	1,212
Deferred tax liabilities	25	60	79
Net employee defined benefit liabilities	19	455	651
		1,541	2,159
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:	20		
Share capital and premium		193,022	117,247
Share options		25,938	10,918
Treasury shares		(1,230)	(1,230)
Other reserves		12,666	18,523
Accumulated deficit		(346,032)	(226,245)
		(115,636)	(80,787)
Non-controlling interests		(34)	(30)
Total shareholders' equity (deficit)		(115,670)	(80,817)
		21,498	27,416

* Reclassified. For more information, see Note 4(1).

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 share and per share data

	Note	Year ended December 31, 2025	2024	2023
Revenues		31,662	29,562	42,657
Cost of revenues	24a	26,372	24,515	41,907
Gross profit		5,290	5,047	750
Research and development expenses, net	24b	2,745	2,002	5,886
Sales and marketing expenses	24c	10,200	4,182*	10,694
General and administrative expenses	24d	66,724	24,905*	49,172
Other expenses (income), net	24e	(4,094)	181	12,723
Operating loss		(70,285)	(26,223)	(77,725)
Finance income	24f	(2,227)	(2,220)	(484)
Finance expenses	24f	49,248	12,586	7,194
Loss before taxes on income		(117,306)	(36,589)	(84,435)
Taxes on income (tax benefit)	25	743	557	171
Loss from continuing operation		(118,049)	(37,146)	(84,606)
Net income (loss) from discontinued operation	12	(1,741)	(1,885)	(2,030)
Attributable to:				
Equity holders of the Company		(119,787)	(39,757)	(87,446)
Non-controlling interests		(3)	726	810
		(119,790)	(39,031)	(86,636)
Loss per share attributable to equity holders of the Company ($):				
Basic and diluted loss per share from continuing operation		$ (105.2)**	$ (214,500)**	$ (1,320,000)**
Basic and diluted loss per share from discontinued operation		$ (1.6)**	$ (10,500)**	$ (31,500)**
Weighted average number of shares outstanding used in computation of basic and diluted loss per share		1,122**	176**	64**

* Expenses related to the Company's public listing and capital raising activities in 2024 were reclassified from sales and marketing expenses to general and administrative expenses.

** Shares and per share amounts have been retroactively adjusted to reflect the reverse share splits at a ratio of 1:10 in March 2025, 1:15 in January 2026, 1:50 in April 2026 and 1:20 in June 2026.

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
USD in thousands

	Note	Year ended December 31,		
		2025	2024	2023
		USD in thousands		
Loss from continuing operation		(118,049)	(37,146)	(84,606)
Loss from discontinued operation		(1,741)	(1,885)	(2,030)
Other comprehensive loss, net of taxes:				
Amounts that will not be reclassified subsequently to profit or loss:				
Actuarial gain from defined benefit plan		43	168	92
Foreign currency translation from functional currency to presentation currency		(9,090)	(242)	(940)
Total other comprehensive loss		(9,047)	(74)	(848)
Total comprehensive loss		(128,837)	(39,105)	(87,484)
Attributable to:				
Equity holders of the Company		(128,833)	(39,781)	(88,232)
Non-controlling interests		(4)	676	748
		(128,837)	(39,105)	(87,484)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
USD in thousands

	Attributable to equity holders of the Company										
	Share capital and premium	Treasury shares	Share options	Reserve for transactions with noncontrolling interests	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total deficit Shareholders' equity
	USD in thousands										
Balance as of January 1, 2025	117,247	(1,230)	10,918	(3,286)	26,093	(502)	(3,782)	(226,245)	(80,787)	(30)	(80,817)
Total loss	-	-	-	-	-	-	-	(119,787)	(119,787)	(3)	(119,790)
Other comprehensive loss	-	-	-	-	-	43	(9,089)	-	(9,046)	(1)	(9,047)
Total comprehensive income (loss)	-	-	-	-	-	43	(9,089)	(119,787)	(128,833)	(4)	(128,837)
Cashless exercise of liability warrants	3,130	-	-	-	-	-	-	-	3,130	-	3,130
Conversion of convertible loans	32,348	-		-	-	-	-	-	32,348	-	32,348
Issuance of Prefunded warrants	10,164	-	2,628	-	-	-	-	-	12,792	-	12,792
Reclassification of warrants from liability to equity		-	10,529	-	-	-	-	-	10,529	-	10,529
Share-based payment issued for services	2,958	-	98	-	-	-	-	-	3,056	-	3,056
Issuance of shares in consideration of BlackSwan acquisition	23,549	-	1,765	-	-	-	-	-	25,314	-	25,314
Conversion of loans	275	-	-	-	-	-	-	-	275	-	275
Cost of share-based payment	3,351	-	-	-	3,189	-	-	-	6,540	-	6,540
Balance as of December 31, 2025	193,022	(1,230)	25,938	(3,286)	29,282	(459)	(12,871)	(346,032)	(115,636)	(34)	(115,670)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
USD in thousands

	Attributable to equity holders of the Company										
	Share capital and premium	Treasury shares	Share options	Reserve for transactions with noncontrolling interests	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total deficit Shareholders' equity
	USD in thousands										
Balance as of January 1, 2024	103,386	(1,230)	10,918	-	24,165	(670)	(3,590)	(186,488)	(53,509)	2,776	(50,733)
Total loss	-	-	-	-	-	-	-	(39,757)	(39,757)	726	(39,031)
Other comprehensive loss	-	-	-	-	-	168	(192)	-	(24)	(50)	(74)
Total comprehensive income (loss)	-	-	-	-	-	168	(192)	(39,757)	(39,781)	676	(39,105)
Warrants exercise	3,422	-	-	-	-	-	-	-	3,422	-	3,422
Options exercise	143	-	-	-	(142)	-	-	-	1	-	1
Conversion of convertible loans	7,876	-		-	-	-	-	-	7,876	-	7,876
Issuance of shares	2,420	-	-	-	-	-	-	-	2,420	-	2,420
Transactions with Non controlling interest	-	-	-	(3,286)	-	-	-	-	(3,286)	(3,482)	(6,768)
Cost of share-based payment	-	-	-	-	2,070	-	-	-	2,070	-	2,070
Balance as of December 31, 2024	117,247	(1,230)	10,918	(3,286)	26,093	(502)	(3,782)	(226,245)	(80,787)	(30)	(80,817)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' 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
	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	2,893				(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 CASH FLOWS
USD in thousands

	Year ended December 31,		
	2025	**2024**	**2023**
	USD in thousands		
Cash flows from operating activities:			
Loss	(119,790)	(39,031)	(86,636)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Finance expenses, net	2,193	1,231	13
Other expenses	13	445	192
Financial liabilities recorded as listing expenses	-	-	7,648
Finance expenses related to convertible loans and warrants	28,648	7,227	5,016
Revaluation of liability to Legacy	186	269	810
ELOC	-	-	1,570
Share listing expenses	-	-	12,312
Cost of share-based payment to consultants and employees	6,408	2,420	-
Cost of share-based payment	3,189	2,070	7,115
Issuance of prefunded warrants	12,792	-	-
Depreciation and amortization	1,896	2,379	7,637
Impairment of goodwill and intangible assets	44,741	653	15,258
Change in employee benefit liabilities, net	(223)	(42)	(43)
Gain on loss of control in subsidiaries *	(4,599)		
Change in deferred tax liabilities	(168)	(37)	(39)
	95,076	16,615	57,489
Changes in asset and liability items:			
Decrease (increase) in trade receivables	687	1,890	13,242
Decrease (increase) in other assets	447	665	(4,730)
Increase (decrease) in trade payables	(2,500)	(1,591)	(3,436)
Decrease (increase) in inventories	-	-	1,812
Change in balances of government grants	63	70	(824)
Decrease (increase) in other accounts payable	(4,034)	4,733**	7,980
	(5,337)	5,767**	14,044
Cash paid and received during the year for:			
Interest paid, net	(971)	(277)	(717)
Taxes paid	(376)	(184)**	(382)
	(1,347)	(461)	(1,099)
Net cash used in operating activities	(31,398)	(17,110)	(16,202)

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
USD in thousands

	Year ended December 31,		
	2025	**2024**	**2023**
	USD in thousands		
Cash flows from investing activities:			
(Investment in) restricted bank deposit	(157)	(337)	(1,493)
Withdrawal from restricted cash	57	1,407	3,926
Change in long-term deposits	-	177	-
Purchase of property and equipment	(33)	(84)	(297)
Credit line to a related party	-	(1,615)	-
Net cash provided by (used in) investing activities	(133)	(452)	2,136
Cash flows from financing activities:			
Issuance of ordinary shares, net of issuance expenses	-	-	2,379
Repayment of lease liabilities	(1,001)	(1,017)	(1,711)
Exercise of options and convertible warrants	-	5,146	2,005
Receipt of short-term loans	32,880	19,815	15,227
Acquisition of non-controlling interest	-	(6,768)	-
Repayment of short-term loans	(6,536)	-	(4,973)
Net cash provided by financing activities	25,343	17,176	12,927
Exchange rate differences on cash and cash equivalents	4,866	(51)	667
(Decrease) in cash and cash equivalents	(1,322)	(437)	(472)
Cash and cash equivalents at the beginning of the year	3,085	3,522	3,994
Cash and cash equivalents at the end of the year	1,763	3,085	3,522
Non-cash transactions:			
BST merger *	18,514		
Right-of-use asset and liability	343	627	(2,516)
actuarial (gain) loss from defined benefit plan	(43)	-	-
Employee benefit assets and liabilities	2,693	168	97
Reclassification of deferred issuance cost to equity	-	-	1,384
Dividend distribution to non-controlling interests	-	-	369
Reclassification of liability to equity	10,259	2,670	-
Exercise of warrants	3,130	-	-
Conversion of convertible loans	32,348	7,876	6,143

* For more information, see Note 1(f).

** Reclassification of taxes paid in 2024.

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

NOTE 1 – GENERAL

a. Introduction

HUB Cyber Security Ltd. (formerly: Hub Cyber Security (Israel) Ltd.) ("the Company" or "HUB") 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 headquarters are located in Or Yehuda, Israel. The Company and its subsidiaries (collectively, the "Group") are engaged in developing reliable quality assurance systems that support process and product enhancement and also operates in the industry of secured data fabric. 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 Cyber Security TLV Ltd., the Company also operates in the confidential computing and network security industry.

The Company's ordinary shares began trading on the Nasdaq Capital Market on March 1, 2023. The Company's ordinary shares were previously listed on the Tel Aviv Stock Exchange from January 23, 2000 to February 28, 2023.

b. Going Concern

The Company's financial statements have been prepared on a basis that assumes that it will continue as a going concern and that the Company's ordinary course of business will continue in alignment with management's 2026-2027 business plan. However, the Company still faces significant uncertainty regarding the adequacy of its liquidity and capital resources arising from its business operations and its ability to repay its obligations as they become due, including financial debt, suppliers' debts and other ordinary course operational costs.

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. However, such efforts remain uncertain and are predicated upon events and circumstances which are outside the Company's control.

As of December 31, 2025, the Company incurred accumulated losses in the amount of $346,032 thousand and had a negative working capital in the amount of $119,524 thousand. Also, for the year ended December 31, 2025, the Company used $31,398 thousand in operating activities. The Company expects to continue to incur losses in 2026 and potentially thereafter as well. On December 31, 2025, the Company's cash and cash equivalents position was approximately $1,763 thousand, which 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. In addition, and as a result of its ongoing operating losses, the Company has insufficient revenues to cover its outstanding liabilities, including defaults under certain loans, payments due to its debt holders, vendors, service providers and government duties, which resulted in a seizure being placed on certain of its bank accounts. The Company had outstanding payments due for certain periods in 2025 and 2026 for employee pension and severance funds that were paid in June 2026 and has been unable to fully pay required withholding taxes on employee compensation payments and government fees. Certain of its subsidiaries also have not made timely tax filings with the Israeli Tax Authority for several years.

Furthermore, there are several legal claims against the Company. For more information, see Note 22.

These factors raise substantial doubts regarding the Company's ability to continue as a going concern.

NOTE 1 – GENERAL (Cont.)

The consolidated financial statements for the year ended December 31, 2025 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.

c. Nasdaq Compliance

On July 16, 2024, the Company received a deficiency notice from the Nasdaq Stock Market ("Nasdaq") informing it that the Company 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 the Company 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 the Company's ordinary shares from Nasdaq. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company was given 180 calendar days from, or until January 13, 2025, to regain compliance with the Minimum Bid Price Requirement.

In addition, on August 23, 2024 the Company received a deficiency notice from the staff of the Listing Qualifications department of Nasdaq (the "Staff") informing it that it is no longer in compliance with Nasdaq Listing Rule 5450(b)(3) (the "Total Assets and Total Revenue Requirement") because its total assets and total revenue for the most recently completed fiscal year and two of the last three most recently completed fiscal years were each below the minimum $50 million threshold for continued listing on The Nasdaq Global Market. In accordance with Nasdaq Listing Rule 5810(c)(2)(A), the Company had 45 calendar days, or until October 7, 2024, to submit a plan to Nasdaq to evidence compliance with Nasdaq's continued listing criteria (the "Compliance Plan"). On October 9, 2024, the Company submitted the Compliance Plan to Nasdaq. On December 11, 2024, the Company received another notice from Nasdaq stating that the Compliance Plan did not evidence the Company's ability to achieve near term compliance with continued listing requirements or sustain such compliance over an extended period of time. Accordingly, the Company was notified that its securities would be delisted from the Nasdaq Global Market, unless it requests a hearing before the Nasdaq Hearings Panel (the "Panel"), which request would stay any further action by the Staff at least until the hearing process concludes. On December 18, 2024, the Company requested a hearing before the Panel. The Company's hearing before the Panel was held on February 6, 2025, and on February 28, 2025, the Company announced that the Panel has granted its request to continue its listing on Nasdaq. In making its decision, following the hearing, the Panel considered the Company's entire record, including background information about the Company, its business description, financial information, market data and compliance history. Based on the information presented to the Panel, including the Company's success, as of February 7, 2025, in bringing its market value of listed securities above the $35 million minimum, the Panel granted the Company's request for continued listing on Nasdaq, subject to the Company filing an application to transfer to The Nasdaq Capital Market by March 5, 2025, and demonstrating compliance with the minimum bid price and the market value of listed securities ("MVLS") requirements by March 31, 2025.

NOTE 1 – GENERAL (Cont.)

On February 26, 2025, the Staff confirmed to the Company via email that it had regained compliance with the MVLS Rules. On February 27, 2025, the Company received a notice from Nasdaq informing the Company that Nasdaq granted its request to continue listing on the Nasdaq Stock Market, subject to (i) on or before March 5, 2025, its filing of an application to transfer its securities to the Nasdaq Capital Market and (ii) on or before March 31, 2025, the Company's demonstrating compliance with the minimum bid price requirement and the continued listing requirement that the Company maintains either a minimum of $2,500 thousand in shareholders' equity or $35,000 thousand market value of listed securities or $500 thousand of net income from continuing operations for the most recently completed fiscal year or two of the three most recently completed fiscal years, as set forth in Nasdaq Listing Rule 5550(b)(2) ("MVLS Rules").

On March 4, 2025, the Company filed an application to transfer its securities to the Nasdaq Capital Market.

On March 28, 2025, the Company effected a 1-for-10 reverse share split of its ordinary shares in an effort to regain compliance with the Nasdaq minimum bid price requirement.

On June 12, 2025, Nasdaq formally confirmed that the Company satisfies both the Minimum Bid Price Requirement and the MVLS thresholds.

On January 15, 2026, the Company effected a 1-for-15 reverse share split of its ordinary shares in an effort to maintain compliance with the Minimum Bid Price Requirement, which was subsequently achieved. On April 20, 2026, the Company effected a 1-for-50 reverse share split of its ordinary shares and on June 5, 2026, the Company effected a 1-for-20 reverse share split of its ordinary shares, both. in an effort to maintain compliance with the Minimum Bid Price Requirement.

On January 21, 2026, the Company received a letter from Nasdaq notifying it that, for the period from December 5, 2025 to January 20, 2026, the Company's MVLS was below the MVLS Rule threshold. Pursuant to Nasdaq Listing Rule 5810(c)(3)(C), the Company has a compliance period of 180 calendar days, or until July 20, 2026 (the "Compliance Period"), to regain compliance with the MVLS Rule. If at any time during the Compliance Period, the Company's MVLS is at least $35 million for a minimum of ten consecutive business days, Nasdaq will provide the Company a written confirmation of compliance and this matter will be closed. In the event that the Company does not regain compliance with the MVLS Rule during the Compliance Period, Nasdaq will provide written notification that the Company's securities will be subject to delisting. In the event of such notification, the Nasdaq rules permit the Company an opportunity to appeal Nasdaq's determination. The Company is currently evaluating options to regain compliance with the MVLS Rule.

Although the Company will use all reasonable efforts to achieve compliance with the Minimum Bid Price Requirement and MVLS Rule, there can be no assurance that it will be able to regain compliance with the Minimum Bid Price Requirement or the MVLS Rule or will otherwise be in compliance with other Nasdaq continued listing requirements.

On May 18, 2026, the Company received a deficiency notice from the Nasdaq stating that the Company is not in compliance with Nasdaq Listing Rule 5250(c)(1) because it had not yet filed its Annual Report on Form 20-F for the period ended December 31, 2025 with the Securities and Exchange Commission (the "SEC"). In accordance with Nasdaq Listing Rules, the Company had 60 calendar days (until July 17, 2026) to submit a plan to regain compliance. If Nasdaq accepted the Company's plan, Nasdaq can grant an exception of up to 180 calendar days from the due date of the Form 20-F, or until November 11, 2026, to regain compliance.

d. Merger between the Company and Mount Rainier Acquisition Corp.:

On March 23, 2022, the Company entered into a definitive business combination agreement (the "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 of the Company (the "February 2023 Share Split"). In addition, as part of the February 2023 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.

NOTE 1 – GENERAL (Cont.)

The Transactions were accounted for as a reverse recapitalization, in accordance with the relevant International Financial Reporting Standards ("IFRS") standard as issued by the International Accounting Standard Board ("IASB") 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 Merger Agreement that was calculated based on the excess of the fair value of the Company's shares issued to public investors over the fair value of the identifiable net assets of RNER that were acquired. For more information, see Note 5.

e. BlackSwan Technologies, Inc. ("BST")

In November 2023, the Company began to collaborate with BST with the goal to become a significant player in the secured data fabric industry.

The Company has provided BST an aggregate amount of $2,732 thousand under the BST Loan Agreement (as defined below) dated as of December 4, 2023. Following the merger between the Company and BST on January 27, 2025, the balance was classified as an inter-company receivable and is no longer included as a credit facility. For more information, see Note 26a.

f. BST Acquisition

On January 15, 2025, the Company entered into an Agreement and Plan of Merger with BST, pursuant to which, on January 27, 2025, BST merged with and into a wholly-owned subsidiary of the Company. As a result of the merger, BST and its subsidiaries became subsidiaries of the Company and the equity holders of BST received 197 ordinary shares of the Company and pre-funded warrants to purchase 44 ordinary shares of HUB. Such shares constituted approximately 42.56% of the Company's outstanding ordinary shares on a post-closing basis and approximately 29.91% of the Company's share capital on a fully-diluted, post-closing basis (after giving effect to additional shares issuable pursuant to adjustment mechanisms under existing securities, but excluding existing warrants that were significantly out-of-the-money, unvested equity grants, and convertible notes that were expected to be repaid and not converted). The exercise of the pre-funded warrants is limited to the extent that upon exercise, the holder and its affiliates would hold more than 4.99% of the Company's outstanding ordinary. The ordinary shares were subject to transfer restrictions until June 2026.

BST had five subsidiaries:

A. BlackSwan Technologies (PVT) Ltd. (Sri Lanka)

B. BlackSwan Technologies sp Z.O.O. (Poland)

C. Cognitive Systems Ltd. (Israel)

D. BlackSwan Technologies AI Limited (UK)

E. BlackSwan Technologies GmbH (Germany)

The four subsidiaries listed in A-D above were defined as held for sale under IFRS 5 and were divested during 2025.

The fair value of the consideration was estimated at approximately $25,314,000, based on the Company's share price on the Nasdaq Stock Market on the acquisition date, which was $6.97 per ordinary share.

NOTE 1 – GENERAL (Cont.)

Below is a summary of BST's balance sheet as of the acquisition date:

	As of January 27, 2025
	USD in thousands
Assets	
Property, plant and equipment, net	3
Trade receivables, net	436
Total assets	439
Liabilities	
Liabilities to suppliers, employees, and other liabilities	(4,134)
Loans	(6,176)
Net held-for-sale liabilities	(6,426)
Total liabilities	(16,736)
	(16,297)
Fair value of consideration	(25,314)
Intangible asset – Technology	(41,611)

The acquisition analysis indicates that the Company acquired a group of assets and liabilities that do not meet the definition of a business.

In accordance with IFRS 3, the Company allocated the purchase cost to the identifiable individual assets and liabilities based on their relative fair values at the acquisition date. A transaction or event of this type does not give rise to goodwill. The Company identified one intangible asset, which is the technology. The entire purchase price was allocated to this intangible asset.

As the time of the acquisition, BST had four subsidiaries operating in the UK, Poland, Sri Lanka and Israel, which were not part of the Company's core operations. The Company's management determined that these entities were not expected to be integrated into the Company's ongoing business and were therefore classified at the acquisition date as assets and liabilities held for sale, in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

For a description of the terms of the ordinary shares issued in the BST acquisition, see above.

For a description of the BST Loan Agreement, see above.

As of December 31, 2025, the Company recorded a full impairment loss on the technology asset acquired in the BST acquisition. See Note 11.

g. Oppenheimer Settlement

In February 2025, the Company reached a settlement agreement with Oppenheimer & Co., Inc. ("Oppenheimer") for $3,000 thousand, with $1,100 thousand being paid on the effective date and the remaining balance payable in ten monthly payments of $200 thousand from March to December 2025 (with the first payment being $100 thousand). As part of the settlement arrangement, Claymore Capital Pty Ltd. ("Claymore") agreed to make on the Company's behalf, all the payments that the Company is required to make under the settlement agreement with Oppenheimer. In consideration, the Company issued Claymore a convertible note in the principal amount of $6,000 thousand. The note was convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than $225,000 or lower than the Nasdaq floor price. The note did not bear interest and matured on February 18, 2030, at which time the Company was entitled to convert the note into ordinary shares. As of December 31, 2025, Claymore converted the note in full into 122 ordinary shares, at a conversion price of $45,000 per share. As of the date of this Annual Report, the entire outstanding reserve balance of $12,800 thousand has been fully settled. For more information, see Note 5.

NOTE 1 – GENERAL (Cont.)

h. Dominion Settlement

In February 2025, the Company also reached a settlement agreement with Dominion Capital LLC and its affiliates (together, "Dominion") for $4,500 thousand, with $400 thousand being payable by February 21, 2025, $200 thousand payable by March 3, 2025 and the remaining balance payable in ten monthly payments of $390 thousand from March to December 2025. As a result, the Israeli insolvency proceedings filed by Dominion in December 2023 were dismissed on March 7, 2025. As part of the settlement arrangement, Claymore agreed to make on the Company's behalf all the payments that the Company is required to make under the settlement agreement with Dominion. In consideration, the Company issued Claymore a convertible note in the principal amount of $7,500 thousand. The note was convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than $225,000 or lower than the Nasdaq floor price. The note did not bear interest and matured on February 20, 2030, at which time the Company was entitled to convert the note into ordinary shares. As of December 31, 2025, Claymore converted the note in full into 166 ordinary shares, at a conversion price of $45,000 per share. As of the date of this Annual Report, the entire outstanding balance owed to Dominion has been fully repaid.

i. Israel Securities Authority and the Israel Tax Authority

On September 17, 2024, the ISA and the Israel Tax Authority conducted a search of the Company's office in the context of investigating former and current officers in connection with suspicions regarding violations of securities, penal and tax laws. To the Company's best knowledge, the suspicions are related, among other things, to the subject matter of the Internal Investigation. On April 22, 2025, investigators from the Israeli Tax Authority visited the offices of the Company. To the Company's best knowledge, the visit related to developments in the Internal Investigation related to the actions of a former financial controller of the Company, which were also addressed in the Internal Investigation. In addition, according to a letter provided to the Company in January 2026 by the ISA, the investigation has been concluded, and the investigation file concerning the Company has been transferred to the Tel Aviv District Attorney's Office (Taxation and Economic Crimes) for a resolution, the status of which remains uncertain.

NOTE 2 – MATERIAL 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 IFRS as issued by the 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 and also "Other Comprehensive Income."

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 subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. 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. For more information, see Note 23(b).

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Cont.)

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 interest 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.

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 entity in the Group. 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 New Israeli Shekel ("NIS"). The consolidated financial statements are presented in US dollars ("USD" or "$"), 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, 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 – MATERIAL 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.

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. Payment terms and conditions vary by contract type, although terms generally include a requirement to pay within 30 to 90 days. 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 obligation of a contract are recognized in profit or loss before the customer is charged, the unbilled amounts are recorded as part of the 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). The Company applies the practical expedient of significant finance component. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

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.

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Cont.)

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 subsidiaries have not been taken into account in computing deferred taxes, as long as the disposal of the investments in subsidiaries is not probable in the foreseeable future. Also, deferred taxes that would apply in the event of distribution of earnings by subsidiaries 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.

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 the end of each year.

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	3 – 6

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.

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Cont.)

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.

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.

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Cont.)

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.

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. When the fair value of the identified financial instruments measured at Level 2 or Level 3 in the fair value hierarchy exceeds the total consideration received by the Company, the 'Day 1' loss is deferred and recognized on a straight-line basis over the term of the instruments.

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).

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Cont.)

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.

The Group includes the following type of provisions 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 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 Israeli 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 – MATERIAL 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.

n. Basic and diluted net profit (loss) per share:

In computing diluted loss per share for the years ended December 31, 2025, December 31, 2024, 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 10,910, 218 and 44, respectively, since they had an anti-dilutive effect on loss per share.

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. 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. For more information, see Note 2i.

- 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 will 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.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (Cont.)

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 Group, the companies in the Group 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.

- 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.

- 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").

NOTE 4 – DISCLOSURE OF NEW STANDARDS IN THE PERIOD

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.

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. The Original Amendment and Subsequent Amendment did not have an impact on the Company's consolidated financial statements, other than for the warrant liabilities which the Company classified as a current liability beginning on January 1, 2024 with a retrospective effect.

- 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.

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 applied for annual reporting periods beginning on or after January 1, 2025. The amendments did not have a material impact on the Company's consolidated financial statements.

NOTE 4 – DISCLOSURE OF NEW STANDARDS IN THE PERIOD (Cont.)

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:

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 regarding 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 of directors 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 Rainier Acquisition Corp., a Delaware corporation ("RNER"), 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 and Finance Ltd. ("A-Labs"), an investment banking firm in which the Company's former chief executive officer served as a managing partner, and Oppenheimer 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 RNER 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.

On January 11, 2023, the Company announced that all the closing conditions for the merger transaction were met and the completion of the merger transaction was subject only to the absence of a legal impediment. Shortly before the closing date of the merger transaction, the Company effected a reverse share split to cause the value of the outstanding ordinary shares immediately prior to the transaction closing date to be equal to $1,500,000 per share.

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.

NOTE 5 – MERGER AGREEMENT WITH SPECIAL PURPOSE ACQUISITION COMPANY ("SPAC") (Cont.)

In December 2021, the Company entered into an agreement with 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 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, 2024 and 2023, the Company recorded a cost provision of $12,800 thousand.

On June 12, 2023, Oppenheimer filed a claim 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.

Effective February 19, 2025, the parties settled for $3 million: $1.1 million paid on the effective date and the balance in ten monthly payments of $200,000 from March to December 2025 (with the first payment being $100,000). As part of the settlement arrangement, Claymore agreed to make, on the Company's behalf, all payments the Company is required to make under the settlement agreement with Oppenheimer. In consideration, the Company issued Claymore a $6 million convertible note. Claymore subsequently converted the note in full and made all required payments to Oppenheimer. As of the date of this Annual Report, the entire outstanding reserve balance of $12,800 thousand has been fully settled.

The transactions were accounted for as a reverse recapitalization, in accordance with the relevant IFRS standard 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, 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's shares 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 for share amounts	
Shares issued to RNER shareholders		3
Closing price of the Company's share on Nasdaq as of March 1, 2023 ($)	2,385,000	
(A) Fair value of the Company's shares issued to RNER shareholders	7,208	
Public Warrants issued to RNER shareholders		0
Closing price of the Company's warrants on Nasdaq as of March 1, 2023 ($)	255,000	
Private Warrants issued to RNER shareholders		0
Fair Value of the Company's warrants on as of March 1, 2023 ($)	199,500	
(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 share amounts have been retroactively adjusted to reflect the reverse share splits as described in Note 20a.

NOTE 6 – CASH AND CASH EQUIVALENTS

	December 31,	
	2025	2024
	USD in thousands	
Cash and cash equivalents in NIS	1,226	858
Cash and cash equivalents in USD	355	2,213
Cash and cash equivalents in Euro	175	12
Cash and cash equivalents in other currency	7	2
	1,763	3,085

NOTE 7 – TRADE RECEIVABLES, NET

	December 31,	
	2025	2024
	USD in thousands	
Accounts receivable	10,224	8,325
Unbilled receivables	243	768
Checks collectible	33	29
Allowance for doubtful debt	(1,722)	(1,225)
Trade receivables, net	8,778	7,897

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.

In certain circumstances and based on management's evaluation, the Company records provisions for allowances for doubtful accounts on outstanding debts of greater than 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	7,736	455	295	134	50	1,830	10,500
Allowance for doubtful accounts	-	-	-	-	-	1,722	1,722
December 31, 2025	7,736*	455	295	134	50	108	8,778
December 31, 2024	4,897*	168	111	50	10	2,661	7,897

* Includes unbilled account receivables balance.

NOTE 8 – OTHER ASSETS

	December 31,	
	2025	2024
	USD in thousands	
Government authorities	2,803	1,934
Prepaid expenses	2,078	1,128
Related parties' assets (1)	-	3,830
	4,881	6,892

(1) See Note 26.

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,		
	2025	2024	2023
	USD in thousands		
Interest expense on lease liabilities	103	193	181
Total cash outflow for leases	1,001	1,017	1,711

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.

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:

2025

	Office lease	Motor Vehicles	Total
	USD in thousands		
Cost:			
Balance as of January 1, 2025	4,149	2,851	7,000
Additions during the year:			
New leases	-	343	343
Terminated lease	(50)	(16)	(66)
Classification	-	6	6
Adjustments arising from indexation	28	-	28
Adjustments arising from translating financial statements from functional currency to presentation currency	593	433	1,026
Balance as of December 31, 2025	4,720	3,617	8,337
Accumulated depreciation:			
Balance as of January 1, 2025	2,897	1,951	4,848
Additions during the year:			
Depreciation in the year	411	589	1,000
Adjustments arising from translating financial statements from functional currency to presentation currency	449	329	778
Balance as of December 31, 2025	3,757	2,869	6,626
Depreciated cost as of December 31, 2025	963	748	1,711

NOTE 9 – LEASES (Cont.)

2024

	Office lease	Motor Vehicles	Total
	USD in thousands		
Cost:			
Balance as of January 1, 2024	4,124	2,418	6,542
Additions during the year:			
New leases	-	633	633
Terminated lease	-	(25)	(25)
Classification	-	(168)	(168)
Adjustments arising from indexation	47	-	47
Adjustments arising from translating financial statements from functional currency to presentation currency	(22)	(7)	(29)
Balance as of December 31, 2024	4,149	2,851	7,000
Accumulated depreciation:			
Balance as of January 1, 2024	2,532	1,500	4,032
Additions during the year:			
Depreciation in the year	343	452	795
Adjustments arising from translating financial statements from functional currency to presentation currency	22	(1)	21
Balance as of December 31, 2024	2,897	1,951	4,848
Depreciated cost as of December 31, 2024	1,252	900	2,152

d. For an analysis of maturity dates of lease liabilities, see Note 16b.

e. The Company has leases of motor vehicles for a period of up to 12 months and for periods of 12-36 months. For lease periods up to 12 months, the Company applies the practical expedient in IFRS 16 and recognizes lease payments as an expense using the straight-line method over the lease term.

f. Lease commitments:

In May 2017, the Company entered into a lease for 1,600 square meters of office space 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 ($34.5 thousand), linked to the Israeli Consumer Price Index of May 2017 with the addition of VAT. The lease period began on April 1, 2018.

NOTE 10 – PROPERTY AND EQUIPMENT, NET

Composition and movement:

2025

	Office furniture and equipment	Computers and peripheral equipment	Leasehold improvements	Total
	USD in thousands			
Cost:				
Balance as of January 1, 2025	190	938	213	1,341
Purchases in the year	-	32	1	33
Disposals during the year	-	-	-	-
Adjustments arising from translating financial statements from functional currency to presentation currency	26	128	29	183
Balance as of December 31, 2025	216	1,098	243	1,557
Accumulated depreciation:				
Balance as of January 1, 2025	109	629	116	854
Depreciation in the year	16	163	60	239
Disposals during the year	-	-	-	-
Adjustments arising from translating financial statements from functional currency to presentation currency	17	83	16	116
Balance as of December 31, 2025	142	875	192	1,209
Depreciated cost as of December 31, 2025	74	223	51	348

NOTE 10 – PROPERTY AND EQUIPMENT, NET (Cont.)

2024

	Motor vehicles	Office furniture and equipment	Computers and peripheral equipment	Leasehold improvements	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2024	33	236	1,030	520	1,819
Purchases in the year	62	-	18	5	85
Disposals during the year	(95)	(45)	(104)	(305)	(549)
Adjustments arising from translating financial statements from functional currency to presentation currency	-	(1)	(6)	(7)	(14)
Balance as of December 31, 2024	-	190	938	213	1,341
Accumulated depreciation:					
Balance as of January 1, 2024	30	108	530	116	784
Depreciation in the year	41	18	199	75	333
Disposals during the year	(71)	(16)	(96)	(74)	(257)
Adjustments arising from translating financial statements from functional currency to presentation currency	-	(1)	(4)	(1)	(6)
Balance as of December 31, 2024	0	109	629	116	854
Depreciated cost as of December 31, 2024	0	81	309	97	487

NOTE 11 – GOODWILL AND INTANGIBLE ASSETS, NET

a. Composition and movement:

	Patents	Goodwill	Customer relations, order backlog (1)	Technology and supplier relationships (2)	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2024	31	2,467	15,595	1,092	19,185
Impairment recognized in the year (1)	-	(571)	(82)	-	(653)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(22)	(99)	(6)	(128)
Balance as of December 31, 2024	30	1,874	15,414	1,086	18,404
Acquisition of BlackSwan technology asset at cost upon initial consolidation, January 27, 2025	-	-	-	41,611	41,611
Foreign currency translation adjustments	-	-	-	1,943	1,943
Impairment recognized in the year (2d)	-	-	(3,130)	(43,554)	(46,684)
Adjustments arising from translating financial statements from functional currency to presentation currency	-	268	1,549	-	1,817
Balance as of December 31, 2025	30	2,142	13,833	1,086	17,091
Accumulated amortization:					
Balance as of January 1, 2024	18	-	10,192	1,092	11,302
Amortization recognized in the year (1)	6	-	947	-	953
Adjustments arising from translating financial statements from functional currency to presentation currency		-	(56)	(6)	(62)
Balance as of December 31, 2024	24	-	11,083	1,086	12,193
Amortization recognized in the year (1)	6	-	918	-	924
Adjustments arising from translating financial statements from functional currency to presentation currency		-	1,005	-	1,005
Balance as of December 31, 2025	30	-	13,006	1,086	14,122
Net balance:					
As of December 31, 2025	-	2,142	827	-	2,969
As of December 31, 2024	6	1,874	4,331	-	6,211

NOTE 11 – GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

(1) Customer relations and order backlog amortization expenses are classified in the statement of profit or loss under sales and marketing expenses.

(2) Technology 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, 2025 and 2024, 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 with 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 transaction 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 completion of several milestones established in the agreement. Half of the cash consideration was paid at the contract closing and the other half has not been settled and is past due in accordance with the contractual repayment terms. The RSUs were treated as a post-combination transaction. For more information, see Note 21.

As of December 31, 2025 and 2024, $5,430 thousand and $5,244 thousand respectively, out of the remaining consideration liability are classified in the balance sheet under line-item Current maturities of other liabilities.

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 two operating segments which constitute the following three cash generating units ("CGUs"):

- Comsec Consulting
- Professional Services
- Products and Technology

The goodwill of the Products and Technology CGU was fully impaired in 2024.

On January 27, 2025, the Company acquired a technology asset from BlackSwan for a purchase price of $41.6 million. During the year ended December 31, 2025, based on management's assessment of the recoverable amount of the asset, the Company recognized a full impairment reducing the carrying amount of the technology asset to zero as of December 31, 2025.

NOTE 11 – GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

As of December 31, 2025, the carrying amount of the goodwill and intangible assets which were allocated to the Professional Services CGU were as follows (in USD thousands):

	Professional Services	Total
Goodwill	2,142	2,142
Customer relationship	827	827
Total	2,969	2,969

The Company performed its annual impairment tests on December 31, 2025 and 2024, respectively. The recoverable amount of each CGU was assessed using the income approach model.

Products and Technology

As of December 31, 2025, the recoverable amount of the Products and Technology CGU were determined based on a value in use calculation using cash flow projection from financial budget approved by senior management covering a five-year period. The discount rate applied to cash flow projection is 24.5% for Products and Technology CGU. Cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of this analysis, the value in use of the Products and Technology CGU was determined to be lower than their carrying amounts. An impairment in the amount of $43,554 thousand was recognized in the Products and Technology CGU. The provision was recorded in impairment of goodwill and intangible assets expenses.

Professional Services

As of December 31, 2025, the recoverable amount of the Professional Services CGU was determined based on a value in use calculation using cash flow projections from financial budget approved by senior management covering a five-year period. The discount rate applied to cash flow projection is 20% for the Professional Services CGU. Cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of this analysis, the value in use of the Professional Services CGU was determined to be higher than their carrying amounts.

Consulting

As of December 31, 2025, the recoverable amount of the consulting CGU was 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 projection is 20% for the consulting CGU. Cash flows beyond the five-year period are extrapolated using a 3% growth rate for both CGUs. As a result of this analysis, the value in use of the consulting CGU was determined to be lower than their carrying amount. Accordingly, the Company recognized an impairment loss equal to the full carrying amount of $3,130 thousand of the related intangible asset, reducing its carrying amount to zero as of December 31, 2025.

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 12 – DISCONTINUED OPERATIONS

In November 2021, the Company completed the acquisition of Comsec and its subsidiaries. During 2023, one of the subsidiaries, Comsec Distribution Ltd. ("Comsec Distribution") had financial, operational and commercials difficulties, cessation of sales starting July 2023, layoffs and departures of employees until there were no employees in this subsidiary as of December 31, 2023.

As of December 31, 2023, based on the analysis performed by the Company's management, it has been determined that Comsec Distribution is considered an abandoned business operation in accordance with IFRS 5 and 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 Comsec 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 for the operating results attributed to the discontinued operation:

	Year ended December 31,		
	2025	2024	2023
	USD in thousands		
Revenues from sales	-	-	5,459
Cost of sales	-	-	(5,931)
Gross profit (loss)	-	-	(472)
Sales and marketing expenses	-	-	351
General and administrative expenses	-	-	851
Operating income (loss)	-	-	(1,674)
Finance expenses, net	1,741	1,523	356
Income (loss) before taxes on income	(1,741)	(1,523)	(2,030)
Taxes on income	-	362	-
Income (loss) after taxes on income	(1,741)	(1,885)	(2,030)

Below are data for the net cash flows provided by (used in) the discontinued operation:

	Year ended December 31,		
	2025	2024	2023
	USD in thousands		
Net cash provided by discontinued operating activities	292	995	1,917
Net cash provided by (used in) discontinued investing activities	-	-	(1,026)
Net cash used in discontinued financing activities	(292)	(1,015)	(1,375)
Total net cash provided by (used in) discontinued operation	-	(20)	(484)

NOTE 13 – SHORT-TERM LOANS

a. Composition:

	December 31,	
	2025	2024
	USD in thousands	
Short-term loans (1)-(18)	13,983	13,534
	13,983	13,534

(1) Debt Settlement and Breach of Terms (Comsec Group):

On December 19, 2024, Comsec entered into a debt settlement agreement with Mizrahi Tefahot Bank (the "Settlement Agreement"). The Settlement Agreement consolidated various outstanding credit facilities into a single unified debt amounting to NIS 23,034 thousand (approximately $6,234 thousand). Pursuant to the settlement agreement, the parties agreed that the outstanding debt amount of NIS 23 million will be repaid over 24 months with quarterly installments, commencing on June 30, 2025. Interest will accrue at a rate of Prime (Bank of Israel intrabank plus 1.5%) plus 3.25%.

As of December 31, 2025, the remaining principal amount is NIS 14,598 thousand ($4,576 thousand). As of December 31, 2025, the Group has not met the payment obligations or certain other conditions set forth in the Settlement Agreement. Although the agreement originally provided for a multi-year repayment schedule, the breach of terms grants the lender the contractual right to demand immediate repayment of the entire outstanding balance.

Consequently, in accordance with accounting standards, the Group classified the entire balance of the consolidated loan as current liabilities in the Consolidated Statement of Financial Position.

The following loans, which were outstanding prior to the settlement date, were incorporated into the consolidated debt facility:

1. Loan (July 6, 2020): Originally NIS 5,000 thousand ($1,452 thousand), bearing interest of Prime + 1.5%.
2. Loan (September 1, 2021): Originally NIS 980 thousand ($309 thousand), bearing interest of Prime + 1.5%.
3. Loan (September 1, 2021): Originally NIS 6,000 thousand ($1,934 thousand), bearing interest of Prime + 1.95%.
4. On-call Loans: Aggregate principal amount of NIS 34,106 thousand, bearing interest of 8.1%.

NOTE 13 – SHORT-TERM LOANS (Cont.)

(2) Loan received in July 2024, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 1,200 thousand ($334 thousand) and repayable in 12 installments from August 2024. The loan bears interest of 7%. During the year ended December 31, 2025, the loan was fully repaid.

(3) Loan received in December 2024, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 500 thousand ($137 thousand) and repayable in 12 installments from January 2025. The loan bears interest of 6.5%. During the year ended December 31, 2025, the loan was fully repaid.

(4) Loan received in April 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 300 thousand ($94 thousand) and repayable in 12 installments from May 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $32 thousand.

(5) Loan received in April 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 450 thousand ($141 thousand) and repayable in 12 installments from May 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $48 thousand.

(6) Loan received in May 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 163 thousand ($51 thousand) and repayable in 12 installments from June 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $22 thousand.

(7) Loan received in May 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 840 thousand ($263 thousand) and repayable in 12 installments from June 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $112 thousand.

(8) Loan received in July 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 190 thousand ($60 thousand) and repayable in 12 installments from August 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $35 thousand.

(9) Loan received in August 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 260 thousand ($81 thousand) and repayable in 12 installments from September 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $55 thousand.

(10) Loan received in October 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 300 thousand ($94 thousand) and repayable in 12 installments from November 2025. The loan bears interest of 7%. As of December 31, 2025, the remaining principal amount is $79 thousand.

(11) Loan received in December 2025, by Aginix, a second-tier subsidiary, with an original principal amount of NIS 300 thousand ($94 thousand) and repayable in 12 installments from January 2026. The loan bears interest of 6.75%. As of December 31, 2025, the remaining principal amount is $94 thousand.

NOTE 13 – SHORT-TERM LOANS (Cont.)

(12) On-call loans received by QPoint, in an aggregate principal amount of NIS 3,400 thousand ($1,066 thousand). The loan bears interest of Prime + 1.1%. As of December 31, 2025, the remaining principal amount is $1,066 thousand.

(13) Loan received in February 2023, by the Company, in an aggregate principal amount of NIS 3,300 thousand ($900 thousand) and repayable in one installment in January 2026 in an amount of $1,000 thousand. The loan bears interest of 12%. As of December 31, 2025, the outstanding loan amount is $1,331 thousand (including interest of $238 thousand). The Company has not made the interest payments, therefore the loan is classified as a short-term loan.

(14) Loan received from Dominion in February 2023, by the Company, in an aggregate principal amount of $2,500 thousand upon closing of the Business Combination (the "Secured Promissory Note"). The Secured Promissory Note bears interest at a rate of 10% per annum and is due on demand. Since the Company failed to meet the contractual terms of the Secured Promissory Note, it is required to pay Dominion and its affiliates an interest rate of 24% immediately. As of December 31, 2024 the remaining principal amount was $3,715 thousand.

In February 2025, the Company reached a settlement with Dominion, pursuant to which the outstanding principal balance of the loan and all accrued interest were settled in full. For more information, see Note 1g.

(15) In November 2024, the Company received a loan from Claymore in the amount of $500 thousand. The loan accrued interest at the rate of 10% of the principal amount and the interest rate increases by 5% of the principal amount each week following December 15, 2024, until it is repaid. The loan was repayable upon the closing of the Company's next financing. During the first half of 2025 the loan principal was fully repaid.

(16) On April 29, 2025, the Company entered into a Business Loan and Security Agreement (the "Agile Loan") with Agile Capital Funding, LLC (as Collateral Agent), Agile Lending, LLC (as Lead Lender), and other lenders. The Agile Loan provided for a $2,000,000 term loan, including a $200,000 administrative agent fee, resulting in net proceeds of $1,800,000 to the Company. The total repayment amount, including interest and fees, was $2,980,000. The loan matured 30 weeks from the effective date with weekly repayment scheduled throughout the term. Interest accrued from the effective date until paid in full, with a default rate of 5% above the applicable rate upon an event of default. During the second half of 2025, the Company entered into a settlement agreement with Agile, pursuant to which the outstanding loan was settled in consideration for the issuance of a financial instrument convertible into the Company's shares. For more information, see Note 17(11)

(17) In February 2025, the Company entered into a short-term loan agreement with PrivCap Funding, LLC for a principal amount of $175,000, with a total repayment obligation of $235,000. The loan included provisions for settlement through the issuance of ordinary shares in the event of non-repayment.

In August 2025, the Company entered into a settlement agreement with PrivCap pursuant to which the outstanding obligations were settled through the issuance of ordinary shares. On August 21, 2025, the Company issued 7 ordinary shares in full settlement of the loan, amounting to $275,000, and all related claims were released.

NOTE 13 – SHORT-TERM LOANS (Cont.)

(18) Following the merger with BST on January 27, 2025, BST had two outstanding loans.

1. On August 9, 2022, BlackSwan received a loan from Yossi Lahav Consultants, with an original principal amount of $1,500 thousand. The loan bears accrued fixed interest of $750 thousand. BlackSwan did not meet the repayment terms of this loan. On June 4, 2024, Yossi Lahav Consultants filed a claim against BlackSwan and others for failure to meet the repayment terms and for related damages. For further details, see Note 22(6).

2. On September 8, 2022, BlackSwan received a loan from A-Labs Consultants with an original principal amount of $200 thousand. The loan bears, bearing accrued interest of approximately 2.42%. As of the date of this Annual Report, this loan has not yet been repaid.

b. Financial covenants:

As of December 31, 2025, the balance of bank loans taken by Aginix was approximately NIS 1,526 thousand ($478 thousand). Aginix has made undertaking to the lending bank to meet the following financial covenants: (1) its adjusted equity will not be lower than NIS 500 thousand and (2) its ratio to balance sheet will not be lower than 10%. As of December 31, 2025, Aginix was in compliance with all financial covenants required under its loan agreements.

NOTE 14 – TRADE PAYABLES

	December 31,	
	2025	**2024**
	USD in thousands	
Open debts	9,825	7,969
Checks payable	-	231
	9,825	8,200

Trade payables are non-interest bearing.

NOTE 15 – OTHER ACCOUNTS PAYABLE

	December 31,	
	2025	2024
	USD in thousands	
Employees and payroll accruals	7,869	4,543
Accrued vacation pay	1,926	1,489
Government authorities	6,726	6,028
Accrued expenses	10,308	24,746
Current liability of government grants	240	270
Deferred revenues	896	680
Legal provision	11,722	-
Other	3,481	1,718
	43,168	39,474

NOTE 16 – LONG-TERM LIABILITIES

Composition of other long-term liabilities:

Government grants:

The Company received grants from the Government of Israel 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 Israel Innovation Authority ("IIA") within ten years, discounted at a rate of 11.5%.

The liabilities for government grants are linked to the USD-NIS exchange rate.

NOTE 16 – LONG-TERM LIABILITIES (Cont.)

As of December 31, 2025, total government grants received by the Company were $557 thousand and no material amount was paid. No new grants were received during 2025.

Liabilities for government grants:

	Effective interest rate	Balance	Balance less current maturities
	%	USD in thousands	
Liabilities for government grants as of December 31, 2025	11.5	557	269
Liabilities for government grants as of December 31, 2024	11.5	442	173

Government grant balances:

	December 31,	
	2025	2024
	USD in thousands	
Balance as of January 1	442	412
Grants received during the year	-	-
Liability revaluation	115	30
Balance as of December 31	557	442

Presented in the statement of financial position as follows:

	December 31,	
	2025	2024
	USD in thousands	
In current liabilities	288	270
In non-current liabilities	269	172
	$ 557	$ 442

NOTE 17 – FINANCIAL LIABILITIES

a. The maturity profile of lease liabilities and liabilities for government grants:

As of December 31, 2025:

	First year	Second year	Third year	Fourth year	Fifth year	Sixth year and onwards	Total
	USD in thousands						
Lease liabilities	1,156	569	139	-	-	-	1,864
Liabilities for government grants	288	43	39	36	32	119	557
Total	$ 1,444	$ 612	$ 178	$ 36	$ 32	$ 119	$ 2,421

b. Convertible loans

1. *Shayna Loans*

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 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 were subsequently amended in 2024 pursuant to a series of agreements with Shayna and Akina Holding Limited ("Akina"), which assigned most of Shayna's rights to Akina and established new conversion and warrant terms. All original interest, conversion, and warrant provisions under the Shayna Loan Agreements were superseded by the 2024 amendments.

The Shayna Loans were amended in March–May 2024 through a series of agreements with 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 34 ordinary shares, based on an agreed USD/NIS exchange rate of NIS 3.65 and a conversion price of $135,000.00 per share. Under this amendment, Akina will receive 25 ordinary shares, while Shayna will receive 8 ordinary shares. Additionally, warrants have been issued for the purchase of the same number of ordinary shares at an exercise price of $135,000 per share, with Akina entitled to 25 ordinary shares and Shayna entitled to 8 ordinary 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.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

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 8 ordinary shares of the Company, calculated at a price of $135,000 per share. Additionally, Shayna was issued a warrant to purchase 8 ordinary shares of the Company at an exercise price of $120,000 per share, with an exercise period of six months.

During 2024, Akina converted the loan under the Convertible Loan Agreements into ordinary shares of the Company, pursuant to which conversions the Company issued 35 ordinary shares and exercised the warrant and purchased 29 ordinary shares of the Company at an exercise price of $135,000. In addition, Shayna exercised the warrant and purchased 8 ordinary shares of the Company at an exercise price of $120,000.

2. *Alliance Global Partners*

On February 26, 2023, the Company entered into two convertible notes agreements with Alliance Global Partners ("AGP"), the representative of the underwriters in RNER's IPO and a stockholder of RNER, and another vendor involved in the Reverse Recapitalization (the "Vendor"). Pursuant to the convertible notes' agreements, AGP and the Vendor purchased an aggregate principal amount of $5,219 thousand and $349 thousand of convertible notes, respectively. Each convertible note will bear interest at a rate of 6% per annum, has a maturity date of March 1, 2024, and will be optionally convertible for Company ordinary shares, at any time prior to the convertible notes being paid in full.

On November 22, 2024, the Company and AGP entered into an amended and restated convertible note agreement (the "Amended Note"), which contemplates that AGP will convert $250 thousand of the principal amount in each of seven 30-day periods, up to an aggregate amount of $1.8 million (but the first conversion can be in the amount of $320 thousand and final conversion $230 thousand). Upon each conversion, one-seventh of the excess debt above $1,800 thousand will be cancelled. Upon conversion of the full $1.8 million, the Amended Note will be extinguished. If an aggregate amount of $1.8 million is not converted by May 30, 2025, the terms of the Original Note will again apply, unless otherwise agreed by the parties. The Amended Note contains a conversion price equal to 93% of the prevailing market price, subject to a $ 60,000 floor. The floor price may be adjusted downward after three months if the market price falls below the floor price and does not subsequently increase above the floor price.

During the year ended December 31, 2023, the Company did not receive a conversion notice from AGP.

During the year ended December 31, 2024, AGP converted an aggregate amount of $1,070 thousand. which was allocated to two parts: until November 2024, an aggregate amount of $500 thousand which was converted into 4 ordinary shares, while the remaining amount of $570 thousand, which was subject to the November 2024 Amended Note, converted into 8 ordinary shares. During January and February 2025, AGP converted an aggregated amount of $500 thousand into 6 ordinary share.

On September 17, 2025, an accredited investor entered into a Note Purchase Agreement with AGP to purchase AGP's note having a principal amount (plus accrued interest) of $2,248 thousand for a purchase price of $750 thousand.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

3. *2023-2024 Investment by Accredited Investors*

Between November 2023 and January 2024, the Company entered into Securities Purchase Agreements (the "First 2023-2024 Accredited Investor SPAs") providing for the sale by the Company to certain accredited investors (the "First 2023-2024 Accredited Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $3,100 thousand (the "First 2023-2024 Accredited 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 Accredited Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "First 2023-2024 Accredited Investor Warrants").

The aggregate principal amount of the First 2023-2024 Accredited Investor Notes was convertible into the Company's ordinary shares at a rate of the lower of (i) $375,000 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 $225,000. The First 2023-2024 Accredited 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 Accredited Investors. The First 2023-2024 Accredited Investors had the right to convert the First 2023-2024 Accredited Investor Notes, in whole or in part, at any time following their issuance.

The First 2023-2024 Accredited Investor Notes were subsequently fully converted by the First 2023-2024 Accredited Investors.

In February 2025, the Company and the First 2023-2024 Accredited Investors agreed to amend the terms of the First 2023-2024 Accredited Investor SPAs and the First 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $150,000 per share and the Company issued to the First 2023-2024 Accredited Investors additional warrants exercisable into 11 ordinary shares at an exercise price of $150,000 per share and 9 ordinary shares.

4. *Second 2023-2024 Accredited Investor Financing Transaction*

In March 2024, the Company entered into Securities Purchase Agreements (the "Second 2023-2024 Accredited Investor SPAs") providing for the sale by the Company to certain accredited investors (the "Second 2023-2024 Accredited Investors" and together with the First 2023-2024 Accredited Investors, the "2023-2024 Accredited Investors"), in unregistered private transactions, of convertible notes with an aggregate principal amount of $550,000 (the "Second 2023-2024 Accredited Investor Notes"), and warrants exercisable into 1 ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the Second 2023-2024 Accredited Investor Notes, assuming conversion on the respective issuance dates of the Notes (the "Second 2023-2024 Accredited Investor Warrants").

The aggregate principal amount of the Second 2023-2024 Accredited 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 $225,000. The Second 2023-2024 Accredited Investor Notes do not bear interest and are repayable on March 14, 2027, subject to earlier conversion by the Second 2023-2024 Accredited Investors. The Second 2023-2024 Accredited Investors have the right to convert the Second 2023-2024 Accredited Investor Notes, in whole or in part, at any time following their issuance.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Pursuant to the First 2023-2024 Accredited Investor SPAs, the Company issued First 2023-2024 Accredited Investor Warrants which are exercisable into 1 ordinary share. The First 2023-2024 Accredited 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 Accredited Investor Warrants and have a weighted average exercise price of $3,495,000. Pursuant to the Second 2023-2024 Accredited Investor SPAs, we issued Second 2023-2024 Accredited Investor Warrants which were exercisable into 1 ordinary share. The Second 2023-2024 Accredited Investor Warrants were exercisable until September 14, 2025, for an exercise price of $225,000. The exercise of the 2023-2024 Accredited Investor Warrants will be limited to the extent that, upon their exercise, a 2023-2024 Accredited Investor and its affiliates would in the aggregate beneficially own more than 4.99% of our ordinary shares.

In February 2025, the Company and the First 2023-2024 Accredited Investors agreed to amend the terms of the First 2023-2024 Accredited Investor SPAs and the First 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $150,000 per share and the Company also issued an additional warrant exercisable into 11 ordinary shares at an exercise price of $150,000 per share. In addition, the Company issued 9 ordinary shares to the First 2023-2024 Accredited Investors.

In addition, in February 2025, the Company and the Second 2023-2024 Accredited Investors agreed to amend the terms of the Second 2023-2024 Accredited Investor SPAs, the Second 2023-2024 Accredited Investor Notes and the Second 2023-2024 Accredited Investor Warrants. Pursuant to the amended terms, the exercise price of each of the First 2023-2024 Accredited Investor Warrants was changed to a unified exercise price of $172,500 per share, and the Company issued to the Second 2023-2024 Accredited Investors additional warrants exercisable into 11 ordinary shares at an exercise price of $150,000 per share, and the conversion price of each of the Second 2023-2024 Accredited Investor Notes was changed to a unified conversion price of $171,300 per share.

The Second 2023-2024 Accredited Investors were subsequently fully converted by the Second 2023-2024 Accredited Investors.

5. *March-November 2024 Financing and Restructure*

In March-November 2024, the Company sold to an accredited investor (the "March-November 2024 Investor"), in a series of unregistered private transactions, notes (the "March-November 2024 Notes") with an aggregate principal amount of $11,000 thousand, and warrants (the "March-November 2024 Warrants") pursuant to a Securities Purchase Agreement entered into with the March-November 2024 Investor (the "March-November 2024 Purchase Agreement"). The Company's acquisition of QPoint's shares that were not held by the Company to complete ownership of 100% of QPoint shares was partially funded by proceeds the Company received pursuant to the March-November 2024 Purchase Agreement.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The loan amount under the March-November 2024 Notes was repayable by the Company on (a) November 29, 2024 with respect to $1,000 thousand of the principal amount and (b) with respect to the remaining $10,000 thousand, the earlier of (i) August 10, 2024 with respect to $4,000 thousand of the principal amount and September 24, 2024 with respect to $6,000 thousand of the principal 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-November 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; (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; and (c) with respect to $2,000 thousand of the principal amount, (i) for the principal amount repaid on or prior to November 29, 2024, 8.5% of such principal amount, and (ii) for the principal amount repaid following November 29, 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 November 29, 2024 and ending on the repayment date.

If the March-November 2024 Notes are not repaid prior to the applicable maturity date, the March-November 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 $75,000. 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-November 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-November 2024 Warrants issued under the March-November 2024 Purchase Agreement were exercisable as follows: (i) March-November 2024 Warrants exercisable into 29 ordinary shares were exercisable at an exercise price equal to $105,000 per share until March 12, 2027, (ii) March-November 2024 Warrants exercisable into 7 ordinary shares were exercisable at an exercise price equal to $75,000 per share until April 3, 2027, (iii) March-November 2024 Warrants exercisable into 13 ordinary shares were exercisable at an exercise price equal to $105,000 per share until June 26, 2027, (iv) March-November 2024 Warrants exercisable into 1 ordinary shares were exercisable at an exercise price equal to $75,000 per share until June 26, 2027, and (v) March-November 2024 Warrants exercisable into 10 ordinary shares were exercisable at an exercise price equal to $82,500 per share until June 26, 2027.

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

On February 17, 2025, the Company and the March-November 2024 Investor agreed to amend the terms of the March-November 2024 Notes and the March-November 2024 Warrants. Pursuant to the amended terms, the maturity date of each of the March-November 2024 Notes, having an aggregate principal amount of $11 million (plus accrued interest), was extended to August 16, 2025. Additionally, per the amendment terms, in the event the notes are not paid or converted in full by April 1, 2025, from and after April 1, 2025, the current interest rate of the notes will increase from 15% per annum to 20% per annum.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Pursuant to the amendment, the exercise price of each of the March-November 2024 Warrants was changed to a unified exercise price of NIS 266,550 (being the NIS equivalent of $75,000 per share based on the last published exchange rate published by the Bank of Israel on the date of the amendment) and the term of the March-November 2024 Warrants was extended to a unified end date of February 17, 2030. The Company also issued to the March-November 2024 Investor an additional warrant exercisable into 13 ordinary shares at an exercise price of $75,000 per share and a pre-funded warrant exercisable into 66 ordinary shares, in each case until February 17, 2030, and in each, the exercise of the new warrants will be limited to the extent that, upon the exercise of the new warrants, the March-November 2024 Investor would not beneficially own more than 4.99% of our outstanding ordinary shares.

Additionally, pursuant to the amended terms, the March-November 2024 Investor agreed to sell all or a signification portion of the notes to a third party who will convert the notes and attempt to sell the resulting conversion shares. The March-November 2024 Investor agreed by no later than April 2, 2025, to inform the Company in writing of the amount of proceeds the March-November 2024 Investor irrevocably received from the sale of such conversion shares by the third party, in which case the Company shall be deemed to have repaid the principal and accrued interest under the converted notes in the amount equal to the sale proceeds. In the event that the sale proceeds are lower than the aggregate principal and accrued interest under the converted notes thereon, the Company agreed to issue to the March-November 2024 Investor a convertible note in the principal amount equal to such shortfall amount (and if the sale proceeds (and any repayments from the Company) are less than $6.5 million, also the interest that would have accrued on the converted notes in accordance with their terms had they not been converted).

The new note would have an interest rate of 20% per annum, commencing retroactively from the date of conversion of the converted notes, and a maturity date of August 16, 2025, and otherwise the same terms and conditions as the converted notes. In the event that, at April 2, 2025, the March-November 2024 Investor holds unsold conversion shares, then warrants held by the March-November 2024 Investor will be exercised for an equivalent number of ordinary shares pursuant to the terms thereof and such conversion shares will be deemed to be issued pursuant to such exercise in lieu of the issuance of new ordinary shares.

On August 16, 2025, the Company entered into a Fifth Amendment to the Securities Purchase Agreement with the March-November 2024 Investor that: (i) extended the maturity date of all convertible notes of the Company in the aggregate principal amount of $11,000,000 for an additional six months from August 16, 2025 to February 16, 2026; (ii) implemented compound interest, whereby interest now accrues on previously accrued interest commencing from the amendment date; and (iii) facilitated the introduction of Seven Knots, LLC, which has undertaken to purchase the convertible notes from the March-November 2024 Investor, pursuant to a separate note purchase and assignment agreement dated August 20, 2025. The amendment maintains all other existing terms and conditions of the notes, including the Company's obligation to repay the principal amount plus all accrued interest.

The debt restructuring of the June 2025 loan was treated as extinguishment as of the August 2025 transition date, resulting in finance expenses of $12,291,435.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

On August 20, 2025, the March-November 2024 Investor entered into a Note Purchase and Assignment Agreement with Seven Knots, LLC for the sale of all outstanding convertible notes for a purchase price of $14,054,165, representing the principal amount plus accrued interest through August 31, 2025, with adjustments for additional interest thereafter. Seven Knots is required to purchase at least $6,000,000 of the notes within 60 days and the remaining balance within 90 days from the agreement date. If Seven Knots fails to meet these payment milestones, the Fifth Amendment automatically terminates. On August 18, 2025, prior to the purchase agreement, the March-November 2024 Investor converted $1,500,000 of the June 26, 2024 note at a conversion price of $45,000 per share, resulting in the issuance of 33 ordinary shares directly to Seven Knots, LLC. This conversion amount counts toward the initial $6,000,000 purchase requirement. Once Seven Knots completes the full purchase, the Company's repayment obligations to the March-November 2024 Investor will be considered fully satisfied; however, these milestones were not met in full and therefore the Fifth Amendment automatically terminated, putting us in breach of the March-November 2024 Notes.

To compensate Seven Knots for its undertakings to Mr. Gottdiener in the note purchase and assignment agreement, we issued to the purchaser a convertible note in the principal amount of $1,500,000. The note bears no interest and matures on August 20, 2026 by way of conversion into ordinary shares. The note is also convertible, in whole or in part, at the option of the holder at any time. The conversion price is the lower of (i) $45,000and (ii) 95% of the lowest VWAP of the Ordinary Shares during the five consecutive trading day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice, subject to the Nasdaq floor price. The holder is also entitled to redeem all or portion of the note in cash from the holder's pro rata portion of 33% of the proceeds received by the Company pursuant to an equity line of credit or at-the-market offering, at a price of 110% of the amount being redeemed. The holder is subject to a beneficial ownership limitation of 4.99%.

On September 17, 2025, the Company entered into a Master Exchange Agreement (the "Exchange Agreement") with the Exchange Accredited Investor, which undertook in August 2025 to purchase the convertible notes issued to the March-November 2024 Investor. On the same date, the Exchange Accredited Investor entered into a Note Purchase Agreement with AGP to purchase AGP's note having a principal amount (plus accrued interest) of $2,248 thousand for a purchase price of $750 thousand. Pursuant to the Exchange Agreement, the Exchange Accredited Investor has the right to exchange all or a portion of its notes for new notes, which have substantially the same terms and conditions as the Amended Notes. After giving effect to applicable original issue discount, under the terms of the Exchange Agreement, up to $16,420 thousand aggregate principal amount of outstanding notes are exchangeable for up to $19,840 thousand aggregate principal amount of new notes under the Exchange Agreement. Astor has an option to purchase from the Exchange Accredited Investor, up to one-half of the new notes issued pursuant to the Exchange Agreement and Keystone has an option to purchase from the Exchange Accredited Investor, up to 25% of the new notes issued pursuant to the Exchange Agreement.

The note bears no interest and matures on the second anniversary from the issuance of each note. The note is also convertible, in whole or in part, at the option of the holder at any time. The conversion price of (i) $43,200 or (ii) 90% (or 80% in case of default) of the lowest VWAP of the Ordinary Shares during the twenty consecutive trading day period ending and including the trading day immediately preceding the delivery or deemed delivery of the applicable conversion notice, subject to the Nasdaq floor price. The holder is subject to a beneficial ownership limitation of 4.99%.

As of December 31, 2025, notes in the aggregate principal amount of $9,004 thousand have been exchanged under the Exchange Agreement for Amended Notes in the aggregate principal amount of $11,063 thousand.

As of December 31, 2025, a total amount of $6,662,682 was converted into 361 ordinary shares.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

On June 4, 2026, the Company and the March-November 2024 Investor entered into a Sixth Amendment to the Securities Purchase Agreement. For more information, see Note 28.

6. *J.J. Astor Financing*

In December 2024, the Company entered into a Loan Agreement with J.J. Astor & Co. ("Astor") pursuant to which Astor agreed to loan the Company $2,200 thousand in consideration for a promissory note in the principal amount of $2,750 thousand (the "December 2024 Convertible Note"). After fees and expenses, the net proceeds of the loan were $2,087 thousand. The December 2024 Convertible Note is payable in 40 weekly installments of $68,750 each in cash or registered ordinary shares, at the Company's election. The December 2024 Convertible Note will not accrue interest (unless there is an event of default).

The Company is entitled to prepay the December 2024 Convertible Note at any time, with declining discounts for prepayment within 30, 60 or 90 days. Upon an event of default, the outstanding principal amount will increase to 110% of the outstanding principal amount, plus interest thereon at the rate of 16% per annum. The December 2024 Convertible Note will be convertible by Astor following an event of default.

The conversion price of the December 2024 Convertible Note is 80% of the average of the four lowest VWAP prices for the 20 trading days prior to conversion but not lower than the 20% of the average of the four lowest VWAP prices for the 20 trading days prior to the closing date. To the extent that the conversion price is lower than such minimum price, the Company will be required to pay a make-whole payment.

One-half of the net proceeds of the amount the Company raises in any subsequent equity financing of less than $5 million will be required to be used to prepay the December 2024 Convertible Note, and all of larger equity financings will be required to be used to prepay the December 2024 Convertible Note.

The Company agreed to issue to Astor a five-year warrant to purchase 8 ordinary shares at an exercise price of $127,500 per share (the "December 2024 Warrant"), subject to adjustment in certain circumstances, including dilutive issuances. The Company undertook to register the shares issuable upon conversion of the December 2024 Convertible Note and upon exercise of December 2024 Warrant on our registration statement on Form F-1. If there is no such registration statement in effect, the holder of the December 2024 Warrant will be entitled to exercise on a cashless basis. On January 13, 2025, Astor assigned the December 2024 Warrant to Wolverine Flagship Fund Trading Limited, which now holds the rights under the December 2024 Warrant. The December 2024 Convertible Note and December 2024 Warrant are subject to a limitation that prohibits ownership of more than 4.99% our outstanding share capital at any time.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Each of the Company's subsidiaries agreed to guarantee the December 2024 Convertible Note and the Company and each of its subsidiaries agreed to grant a subordinated pledge over its assets to secure the December 2024 Convertible Note, each to become effective following an event of default and receipt of consent from our senior lenders. Failure to obtain such consents will be deemed an event of default under the December 2024 Convertible Note.

On May 28, 2025, the Company amended the Loan Agreement with Astor to add an additional loan in the amount of $1,560 thousand, which was evidenced by a $1,854 thousand convertible promissory note payable in 40 weekly installments of $46 thousand each (the "May 2025 Convertible Note"). After fees and expenses, the net proceeds of this loan were approximately $1,478 thousand. The Company agreed that Astor would hold back $927 thousand from the proceeds to ensure the payment of weekly installments. The May 2025 Convertible Note matures on March 30, 2026, and has terms substantially similar to the December 2024 Convertible Note. The Company also issued to Astor a warrant to purchase 42 ordinary shares at $37,500 per share on terms substantially similar to the December 2024 Warrant. On July 16, 2025, Astor assigned the warrant to Wolverine Flagship Fund Trading Limited, which now holds the rights thereunder.

In connection with the issuance of the May 2025 Convertible Note, Astor agreed to waive the default under the December 2024 Convertible Note caused by the Company's failure to pay some of the weekly installments. As a result of the default, the principal amount under the December 2024 Convertible Note was increased by 10%, the interest rate during the period in which the default was continuing was increased to 16% per year, compounded monthly, and the December 2024 Convertible Note became convertible at the option of the holder thereof.

As of the date of this Annual Report, the Company has paid an aggregated amount of $840,000 and Astor has converted the principal amount of $2,165,497 of the December 2024 Convertible Note into the Company's ordinary shares, pursuant to which conversions the Company has issued 98 ordinary shares.

7. *Claymore Capital Financings*

In August 2024, the Company entered into Securities Purchase Agreements with multiple private investors to raise gross proceeds of approximately $3.3 million in exchange for the issuance of convertible notes (the "August 2024 Notes") with an aggregate principal amount of approximately $4,000 thousand and warrants to acquire an aggregate of approximately 313 ordinary shares of the Company. The August 2024 Notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price equal to the lower of $105,000.00 or the price per share of which the Company sells shares to a third party, but in no event less than $75,000. The August 2024 Warrants are exercisable for a period of three years at an exercise price of $150,000 per share. Claymore Capital PTY Ltd. ("Claymore") served as the placement agent for this transaction and received a fee of approximately $233 thousand in cash and a warrant to purchase approximately 7 ordinary shares of the Company on terms substantially similar to the terms of the August 2024 Warrants. The Company entered into a consulting agreement with the placement agent for an initial period of three months, during which the placement agent was paid a fee of $15,000 per month.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In August 2024, Claymore agreed to extend a loan to the Company in the amount of $500 thousand with interest at the rate of 10% of the principal amount until it was subsequently repaid in August 2024. In November 2024, Claymore agreed to extend a loan of an additional $200 thousand with interest at the cumulative rate of 20% of the principal amount until it was subsequently repaid in December 2024. In November 2024, Claymore agreed to extend a loan of an additional $500,000 at the cumulative rate of 45% of the principal amount until it was subsequently repaid in February 2025.

In November and December 2024, Claymore and investors introduced by Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $1,150,000 in exchange for convertible notes with an aggregate principal amount of $1,391,500 and warrants to purchase an aggregate of 10 ordinary shares. The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $150,000. The warrants to purchase an aggregate of 10 ordinary shares are exercisable for a period of three years at an exercise price of $107,145 per share. Claymore's placement fees for the foregoing follow-on investments amounted to $77,000 in cash, 7 ordinary shares and a warrant to purchase 2 ordinary shares on the same terms of the investors' warrants. The Company extended the consulting agreement with the placement agent for a period of 12 months, during which the placement agent will be paid a fee of $15,000 per month.

In December 2024, Claymore and investors introduced by Claymore loaned us an aggregate of $1,262,500 in exchange for notes with an aggregate principal amount of $1,402,778 and warrants to purchase an aggregate of 8 ordinary shares. The notes are unsecured, and do not accrue interest. However, in the event that the note has not been repaid by the maturity date, interest will accrue at a rate of 5% per month. The notes are repayable at the earlier of (i) the six-month anniversary of the issuance of the note or (ii) five business days following the closing of a financing of at least $10,000,000 or the sale of our QPoint subsidiary. If the notes are not repaid by the maturity date, they will be convertible at a conversion price of $75,000. The notes provide that if the notes are not repaid by March 31, 2025, the holders thereof will be entitled to receive collateral to secure the notes. The warrants to purchase an aggregate of 8 ordinary shares are exercisable for a period of three years at an exercise price of $75,000 per share. Claymore's placement fees for the foregoing loan amounted to $77,875 in cash, and a warrant to purchase 8 ordinary shares on the same terms of the investors' warrants.

In January and February 2025, Claymore and investors introduced by Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $1,467,000 in exchange for convertible notes with an aggregate principal amount of $1,775,070 and warrants to purchase an aggregate of 13 ordinary shares.

The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $75,000. The warrants to purchase an aggregate of 13 ordinary shares are exercisable for a period of three years at an exercise price of $107,145 per share. Claymore's placement fees for the foregoing follow-on investments amounted to $102,690 in cash, 9 ordinary shares and a warrant to purchase 3 ordinary shares on the same terms of the investors' warrants.

In February 2025, Claymore agreed to extend a loan to the Company in the amount of $255,000 with interest at the rate of 19% of the principal amount and a maturity date of April 18, 2025. Claymore received pre-funded warrants to purchase 1 ordinary share as fees for the foregoing loan. Claymore agreed to extend the repayment of the loan until May 18, 2025, in exchange for an additional pre-funded warrant to purchase 1 ordinary share.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In March 2025, Claymore investors agreed to extend a loan to the Company with a principal amount of $200,000 and a face value of $300,000 until it was subsequently repaid in March 2025. Claymore received pre-funded warrant to purchase 1 ordinary share as fees for the foregoing loan.

In April 2025, Claymore made follow-on investments on the terms of the August 2024 financing in the aggregate amount of $928,000 in exchange for convertible notes with an aggregate principal amount of $1,122,880 and warrants to purchase an aggregate of 8 ordinary shares. The convertible notes are unsecured, have a term of two years and do not accrue interest. They are convertible into ordinary shares of the Company at any time at the option of the holder of each note at a price of $105,000, subject to adjustment in certain circumstances, including dilutive issuances, but no lower than $75,000. The warrants to purchase an aggregate of 8 ordinary shares are exercisable for a period of three years at an exercise price of $150,000 per share. In the event that the conversion price of the note is reduced, the exercise price of the warrant will be reduced proportionately. Claymore's placement fees for the foregoing follow-on investments amounted to $64,960 in cash, pre-funded warrant to purchase 22 ordinary shares and a warrant to purchase 6 ordinary shares on the same terms of the investors' warrants. The Company extended the consulting agreement with the placement agent for an additional period of 12 months, until October 31, 2026, during which the placement agent will be paid a fee of $20,000 per month.

In June 2025, we issued to Claymore a convertible note with a principal amount of $2,760,000 and a pre-funded warrant to purchase an aggregate of 20 ordinary shares in consideration for investments in multiple installments in the aggregate amount of $2,400,000. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in the amount of the outstanding principal amount.

In July 2025, we issued a convertible note to an investor introduced by Claymore, with a principal amount of $1,150,000 in consideration for an investment of $1,000,000, on terms substantially similar to the note issued to Claymore in June 2025 described above. Claymore received pre-funded warrants to purchase 13 ordinary shares as fees for the foregoing loan.

In August 2025, we issued to Claymore a convertible note with a principal amount of $575,000 and a pre-funded warrant to purchase an aggregate of 6 ordinary shares in consideration of an agreement to invest an aggregate amount of $500,000. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in the amount of the outstanding principal amount.

The conversion of the notes and warrants issued in the foregoing financings are limited to the extent that, upon conversion or exercise, the holder and its affiliates would in the aggregate beneficially own more than 4.99% of the Company's outstanding ordinary shares. The Company has undertaken to register the resale of the ordinary shares underlying such notes and warrants on a registration statement with the SEC.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

As of the date of this Annual Report, Claymore and several investors introduced by Claymore, converted an aggregate principal amount of $10.8 million of the notes issued to them into our ordinary shares, pursuant to which conversions we have issued 280 ordinary shares.

Additionally, in July 2025 and August 2025, we entered into subscription agreements with an investor, Oozi Cats, whose investment was arranged by Claymore, for the purchase of an aggregate of 32 ordinary shares at $45,000 per share, for total proceeds of $1.5 million. Specifically, 16 shares were purchased in July 2025 for $750,000 and 16 shares were purchased in August 2025 for $750,000. Mr. Cats is subject to a 5% beneficial ownership limitation. Concurrently with these investments, we issued pre-funded warrants to Claymore to purchase an aggregate of 37 ordinary shares (18 ordinary shares in July 2025 and 18 ordinary shares in August 2025). Both pre-funded warrant series expire five years from their respective issuance dates (or upon an exit transaction if earlier) and are subject to a 4.99% beneficial ownership limitation.

As of December 31, 2025, the accredited investor introduced by Claymore converted the principal amount of $500 thousand of the notes issued to him into ordinary shares, pursuant to which conversions the Company issued 33 ordinary shares. In addition, Claymore has exercised its prefunded warrants into 13 ordinary shares.

In August 2025, the Company issued Claymore a convertible note with a principal amount of $575 thousand and a prefunded warrant to purchase 6 ordinary shares in consideration for $500 thousand. The convertible note is unsecured, has a term of five years, does not accrue interest and is not prepayable without consent of the holder. It is convertible into ordinary shares of the Company at any time at the option of the holder at a price of $45,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. In case of a default, the holder of the note will be entitled to receive collateral in aggregated amount equal to the outstanding principal amount.

As of December 31, 2025, Claymore exercised prefunded warrants into 6 ordinary shares.

In November 2025, the Company issued to Claymore 100 prefunded warrants in exchange for the cancellation of prior agreements with the Company regarding marketing services and a price adjustment to the convertible note issued to Claymore.

In November 2025, the Company entered into an amendment of a March 2025 loan with Claymore Capital and two investors who were introduced by Claymore, with respect to the March 2025 loan provided by the two investors. Pursuant to the amendment, the $140,000 loan was repaid through the issuance of 9 ordinary shares to the lenders.

The loans described above include conversion options. According to IAS 32, the conversion options are 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 depends 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).

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

8. *Julestar Financing*

On February 4, 2025, the Company entered into a Loan Agreement with Julestar LLC, a New York limited liability company ("Julestar"), pursuant to which Julestar loaned the Company $2,650 thousand in consideration for a promissory note in the principal amount of $3,118 thousand (the "Julestar Note"). The principal amount, and interest thereon, was required to be repaid in 40 weekly installments over the 10-month term of the loan. The Julestar Note accrued interest at a rate of 10% per annum. To secure the repayment of the Julestar Note, the Company undertook to grant a subordinated pledge over the shares of certain of its subsidiaries, subject to the consent of a senior lender within 60 days, however this consent was not obtained.

The Loan Agreement included the issuance of five-year warrants to purchase 35 ordinary shares, subject to downward adjustment in the number of underlying shares in the event of early repayment of the Note in full or upward adjustment in the event the Julestar Note is not repaid in full within 90 days of the issuance date. The exercise price of the warrants is $75,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. The warrants are subject to a limitation that prohibits ownership of more than 4.99% of Company's outstanding share capital at any time.

The Company undertook to register the shares issuable upon the exercise of the Julestar warrants with the Securities and Exchange Commission on a Form F-1 or Form F-3.

Since the Company did not repay the loan within 90 days, as of May 5, 2025, the Company amended the warrants to increase the number of shares issuable thereunder by an additional 113 shares at an exercise price of $75,000 per share, subject to adjustment in certain circumstances, including dilutive issuances. The Company repaid $1,300 thousand owing under the Julestar Note in 2025.

As a result of the issuance of the Julestar warrants, the exercise price of the warrant to purchase 35 ordinary shares issued in an earlier financing transaction on December 30, 2024 automatically decreased from $127,500 to $75,000 per share.

In June 2026, the Company repaid $1.35 million to Julestar.

9. *March 2025 Notes*

On March 27, 2025, the Company completed the issuance of a series of notes (the "March 2025 Notes") to certain investors, including Keystone Capital Partners, LLC as the lead investor ("Keystone" and collectively with the other investors, the "March 2025 Note Investors"), in an aggregate principal amount of $1,625,000 and original issue discount of $325,000, for an aggregate purchase price of $1,300,000. The March 2025 Notes originally matured on December 11, 2025, did not bear interest, and included a prepayment option at a premium of 125%. In addition, the Company was required to use the cash proceeds deriving from a financing in which it receives proceeds of at least $10 million to repay the March 2025 Notes.

The March 2025 Note Investors had the right to convert the principal amount into ordinary shares of the Company upon the occurrence of a subsequent equity financing pursuant to which the Company receives at least $5 million, subject to certain conditions.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The conversion of the March 2025 Notes was limited to the extent that, upon their conversion, a March 2025 Note Investor and its affiliates would in aggregate beneficially own more than 4.99% of the Company's outstanding share capital at any time. The March 2025 Notes were exchanged with the June 2025 SPA, which thereafter were replaced with the August 2025 Financing described herein.

10. *ELOC Transaction*

Concurrently with the investment by the March 2025 Note Investors described above, the Company entered into an Ordinary Shares Purchase Agreement (the "ELOC Purchase Agreement") with Keystone, pursuant to which the Company has the right to sell to Keystone up to an aggregate of $50 million of newly issued ordinary shares (the "ELOC Shares").

As consideration for Keystone's commitment to purchase ELOC Shares upon the terms of and subject to satisfaction of the conditions set forth in the ELOC Purchase Agreement, the Company agreed to issue to Keystone a note in a principal amount of $1,000,000 and an additional commitment note on May 28, 2025, in the principal amount of $1,500,000, each of which does not bear interest and has a maturity date of December 11, 2025 and November 28, 2026, respectively (the "Commitment Notes"). The Commitment Note is due by way of conversion into the Company's shares based on the closing share price of the Company's shares on the date immediately prior to the maturity date, provided that in each case the applicable conversion price shall not be lower than twenty percent (20%) of the closing sale price of the Company's shares on the issuance date of the Commitment Note. The Commitment Note can be converted prior to the maturity date by either the Company or Keystone at any time following the earlier of (i) the date on which the shares issuable upon conversion are registered under a registration statement filed with the SEC or (ii) September 11, 2025. In the event of a conversion prior to the maturity date, the number of Company shares to be issued upon the conversion of the Commitment Note will be based on the closing share price on the day prior to the issuance of the conversion notice provided that the closing sale price on the day prior to the issuance of the conversion notice is not lower than 10% as compared to the closing sale price on the date immediately prior thereto. The conversion of the Commitment Note will be limited to the extent that, upon its conversion, Keystone and its affiliates would in aggregate beneficially own more than 4.99% of the Company's outstanding share capital at any time.

In addition, in connection with the ELOC Purchase Agreement, the Company and Keystone entered into a Registration Rights Agreement pursuant to which the Company undertook to register with the SEC the shares issuable upon conversion of the Commitment Note and the ELOC Shares that the Company has the right to sell to Keystone.

The Company does not have a right to commence any sales of ELOC Shares to Keystone under the ELOC Purchase Agreement before a registration statement of such shares is declared effective by the SEC and the final form of prospectus is filed with the SEC (the "Commencement Date"). Following such date, the Company will control the timing and amount of any sales of ELOC Shares to Keystone. Actual sales of shares of ELOC Shares to Keystone under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the ELOC Shares and determinations by the Company as to the appropriate sources of funding for the Company and its operations. The Company is obligated to use 33% proceeds from the sale of ELOC Shares to repay the principal amount under the March 2025 Notes.

As of December 31, 2025, an amount of $1,600,000 was converted into 107 shares.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Under the ELOC Purchase Agreement, on any business day on which the closing sale price of the Company's shares is equal to or greater than $0.05 (the "Fixed Purchase Date"), the Company may direct Keystone to purchase shares (a "Fixed Purchase") at a purchase price equal to 95% of the lesser of (i) the daily volume-weighted average price (the "VWAP") of the Company's shares for the five (5) trading days immediately preceding the applicable fixed purchase date and (ii) the lowest sale price on the applicable Fixed Purchase Date, provided, that Keystone's committed obligation under any single Fixed Purchase shall not exceed $50,000.

In addition to Fixed Purchases, on any business day on which the Company has directed Keystone to purchase the maximum allowable Fixed Purchase amount, the Company may also direct Keystone to purchase additional shares on the trading day immediately following the purchase date for such Fixed Purchase (the "VWAP Purchase Date" and such purchase, a "VWAP Purchase") at a purchase price equal to 90% of the lesser of (i) the closing sale price of the Company's shares on the applicable VWAP Purchase Date and (ii) the VWAP during the period on the applicable VWAP Purchase Date beginning at the opening of trading and ending on the earlier of (1) close of trading, (2) the time at which the trading volume of the Company's shares on Nasdaq has reached the number of shares to be sold in the VWAP Purchase divided by 30%, and (3) the time at which the sale price of the Company's shares on Nasdaq is 75% of the closing sale price on the date on which the Company directs Keystone to make a VWAP Purchase (such period, the "VWAP Purchase Period"), provided, that Keystone's committed obligation under any single VWAP Purchase shall not exceed the lesser of (a) 300% of the number of shares sold in the corresponding Fixed Purchase and (b) 30% of the trading volume of the VWAP Purchase Period.

In addition, on a VWAP Purchase Date, the Company may also direct Keystone to purchase on such day, an additional number of shares (an "Additional VWAP Purchase") at a purchase price equal to 90% of the lesser of (i) the VWAP beginning at the completion of any prior VWAP Purchases and the last Additional VWAP Purchase, as applicable, and ending on the earlier of (1) close of trading, (2) the time at which the trading volume of the Company's shares on Nasdaq has reached the number of shares to be sold in the Additional VWAP Purchase divided by 30%, and (3) the time at which the sale price of the Company's shares on Nasdaq is 75% of the closing sale price on the date on which the Company directs Keystone to make an Additional VWAP Purchase (such period, the "Additional VWAP Purchase Period"), and (ii) the lowest sale price on such day, provided, that Keystone's committed obligation under any single Additional VWAP Purchase shall not exceed the lesser of (a) 300% of the number of shares sold in the Fixed Purchase that corresponded to the VWAP Purchase corresponding to the Additional VWAP Purchase and (b) 30% of the trading volume of the Additional VWAP Purchase Period.

Keystone's aggregate committed obligation under a VWAP Purchase and all Additional VWAP Purchases for a particular VWAP Purchase Date shall not exceed $1,000 thousand in the aggregate.

The ELOC Purchase Agreement provides that the Company may not issue or sell any shares under the ELOC Purchase Agreement if the issuance or sale of such shares would result in Keystone and its affiliates beneficially owning more than 4.99% of the Company's outstanding share capital at any time.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

11. *Agile Capital Loan*

On April 29, 2025, the Company entered into a Business Loan and Security Agreement with Agile Capital Funding, LLC, as collateral agent, Agile Lending, LLC, as lead lender, and other lenders (the "Agile Loan"). The Agile Loan provided for a $2,000 thousand term loan, including a $200 thousand administrative agent fee, resulting in net proceeds to the Company of $1,800 thousand. The total repayment obligation under the Agile Loan, inclusive of interest and fees, was $2,980 thousand. The Agile Loan matured 30 weeks following the effective date, with weekly repayment installments scheduled throughout the term which has not yet been fully satisfied. Interest accrued from the effective date until paid in full, with a default rate of 5% above the applicable rate upon an event of default.

The Company agreed to secure the Agile Loan by a continuing security interest in substantially all of the Company's property, rights and assets, including accounts, equipment, inventory, intellectual property and the shares held by the Company in HUB Cyber Security, Inc. and BlackSwan Technologies, Inc. The Agile Loan contains customary affirmative and negative covenants, including limitations on the disposition of business or property and changes in key management. Events of default include payment defaults, breaches of covenants, material adverse changes, insolvency, and judgments in excess of $50 thousand.

In October 2025, the Company applied $1,500 thousand of the proceeds of the closing under the August 2025 SPA (see below) to repay a portion of the Agile Loan. The cancellation of an additional $750 thousand of indebtedness owed under the Agile Loan was treated as part of the consideration for Amended Notes issued at the second additional closing under the August 2025 SPA on October 15, 2025. In November 2025, the remaining balance of the Agile Loan in the amount of $575 thousand was sold by Agile Lending, LLC to another investor and exchanged pursuant to a separate exchange agreement with the Company for an Amended Note in the principal amount of $767 thousand. As of December 31, 2025, the Agile Loan has been fully repaid.

12. *June 2025 SPA*

On June 30, 2025, the Company entered into a securities purchase agreement (the "June 2025 SPA") providing for the issuance of subordinated convertible notes (the "June 2025 Notes") to certain accredited investors, including Keystone, in the aggregate original principal amount of $6,719 thousand. At the closing, the Company received an aggregate purchase price of $3,625 thousand in cash and the exchange of the notes that the Company issued previously to investors in March and April 2025 in the aggregate principal amount of $2,187 thousand. The June 2025 Notes issued in consideration for cash were issued with a 20% original issue discount, and the June 2025 Notes issued in consideration for our outstanding notes were issued on a dollar-for-dollar basis. Out of the June 2025 Notes $6,000 thousand were subsequently exchanged for new notes issued under the August 2025 SPA. As of December 31, 2025, a total amount of $3,625 thousand was received in cash.

13. *July 2025 Warrants*

In July 2025, the Company agreed to re-issue warrants to purchase an aggregate of 166 ordinary shares to investors who participated in our financing in April 2022 of ordinary shares and warrants. In light of subsequent market price changes and the Company's multiple reverse share splits between February 2023 and March 2025, the warrants were re-issued in July 2025 with adjusted pricing and quantity terms to compensate investors for all cumulative effects. As of August 31, 2025, such warrants to purchase an aggregate of 154 ordinary shares have been issued. The warrants are exercisable for cash at a price of $120,000 per share and expire on January 14, 2027.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Most of the warrants are subject to early expiration if they are not exercised within 14 days after the market price of the ordinary shares equals or exceeds $120,000 per share for ten trading days in a period of 20 consecutive trading days.

14. *August 2025 SPA*

On August 27, 2025, the Company entered into a securities purchase agreement (the "August 2025 SPA") providing for the issuance of subordinated convertible notes (the "August 2025 Notes") to certain accredited investors, including Keystone, in the aggregate original principal amount of up to $20,000 thousand to be issued in multiple closings. Closings under the August 2025 SPA can be held over a period of one year at the election of Keystone.

The notes issued in June 2025 (see Note 17(12)) resulted in aggregate cash proceeds of $3,625,000 and in the exchange of notes issued by the Company in March and April 2025 in the aggregate principal amount of $2,187,500.

At the initial closing of the August 2025 SPA, the Company issued August 2025 Notes in the aggregate original principal amount of $7,850,000 for an aggregate purchase price of $7,000,000 in cash and in the exchange of the notes that the Company issued previously to investors in June 2025. In addition, the Company issued warrants to purchase 90 ordinary shares.

In the first additional closing under the August 2025 SPA, held on September 4, 2025, the Company issued and sold Amended Notes in the aggregate principal amount of $2,968,750 and warrants to purchase an aggregate of 34 ordinary shares, in consideration for cash payments in the aggregate amount of $2,375,000, under the same terms as the initial closing.

The August 2025 Notes mature on August 27, 2027 and bear interest at 4% per annum, payable quarterly in ordinary shares under certain equity conditions (including the effectiveness of a resale registration statement) or, at the Company's option, in cash. Late payments accrue interest at an additional premium of 8% per year. No scheduled amortization payments are required.

The August 2025 Notes are subordinated to existing senior indebtedness not to exceed $25 million in aggregate. They contain various restrictive covenants, including limitations on dividends, incurrence of indebtedness, certain subsequent equity placements, asset sales and certain variable rate transactions.

The August 2025 Notes are convertible into ordinary shares at the option of the holders at an initial conversion price of $43,200 per share, subject to anti-dilution adjustments for certain dilutive issuances. Holders may elect an alternate conversion price at the lower of the fixed conversion price or 95% of lowest VWAP during the five days up to and including the date of conversion, subject to a $15,000 floor price. If such conversion price is lower than the floor price, the Company would be required to pay the balance in cash.

The August 2025 Notes contain several mandatory and optional redemption provisions. Holders also have optional redemption rights in respect of financings pursuant to equity lines of credit and at-the-market offerings, allowing them to require redemption of up to their pro-rata portion of 30% of net proceeds from eligible transactions at a 110% of the redemption amount. Holders also have the right to exchange their August 2025 Notes for the securities issued in a subsequent placement, at a 10% discount. The Company has the right to redeem all a portion of the August 2025 Notes, from time to time, at 120% of the conversion amount.

On October 15, 2025, the Company and certain accredited investors, including Keystone, entered into Amendment No. 1 to the August 2025 SPA increasing the aggregate principal amount of notes issuable thereunder to $35,000,000, adding additional investors and amending the form of note as described below (the "Amended Note").

In the second additional closing under the August 2025 SPA, held on October 16, 2025, the Company issued and sold Amended Notes in the aggregate principal amount of $20,525,625 and warrants to purchase an aggregate of 237 ordinary shares, in consideration for (i) cash payments in the aggregate amount of $7,250,000 with the principal amount of $10,019,374, (ii) the partial exchange of August 2025 Notes in the aggregate principal amount of $9,568,751 (at a 10% discount) and (iii) the exchange of $750,000 owed under the Company's Business Loan and Security Agreement (the "Agile Loan") with Agile Capital Funding, LLC (as Collateral Agent) and Agile Lending, LLC (as Lead Lender), dated April 29, 2025, with a new principal amount of $937,500.

On December 31, 2025, the Company held an additional closing under the August 2025 SPA in the aggregate principal amount of $1,250 thousand, for an aggregate purchase price of $1,000 thousand and warrants to purchase an aggregate of 14 ordinary shares. On December 31, 2025, the Company and certain accredited investors, including Keystone, entered into Amendment No. 2 to the August 2025 SPA, increasing the aggregate principal amount of notes issuable thereunder to $47,250,000.

As of December 31, 2025, a total amount of $11,625 thousand was received in cash and $1,500 thousand were converted into 100 ordinary shares.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The Amended Notes have a term of two years from the date of issuance thereof. They do not bear interest, except during the pendency of an event of default, in which case the rate will be 9% per year. Late payments accrue interest at an additional premium of 8% per year. Commencing approximately 30 days after the effectiveness of the Company's Form F-1 for an equity line of credit, the Company will be required to repay a pro rata portion of the principal and interest accrued thereon on the first trading day of each calendar month, in cash or shares (subject to equity conditions) at its election.

The Amended Notes are subordinated to existing senior indebtedness not to exceed $25 million in aggregate. They contain various restrictive covenants, including limitations on dividends, incurrence of indebtedness, certain subsequent equity placements, asset sales and certain variable rate transactions.

The Amended Notes are convertible into ordinary shares at the option of the holders at an initial conversion price of $43,200 per share, subject to anti-dilution adjustments for certain dilutive issuances. Holders may elect an alternate conversion price at the lower of the fixed conversion price or 90% of lowest VWAP during the 20 days up to and including the date of conversion, subject to a $15,000 floor price (or 20% of the Nasdaq minimum price if there's an event of default). If such conversion price is lower than the floor price, the Company would be required to pay the balance in cash.

The Amended Notes contain several mandatory and optional redemption provisions. Holders also have optional redemption rights in respect of financings pursuant to equity lines of credit and at-the-market offerings, allowing them to require redemption of up to their pro-rata portion of 30% of net proceeds from eligible transactions at a 110% of the redemption amount. Holders also have the right to exchange their Amended Notes for the securities issued in a subsequent placement, at a 10% discount. The Company has the right to redeem all a portion of the Amended Notes, from time to time, at 120% of the conversion amount.

In change of control transactions (with control defined based on a 50% threshold), holders may require redemption at 115% of the conversion amount. Holders also have participation rights in future financings, with the right to purchase their pro-rata portion of 30% of any subsequent placement exceeding $5,000,000 in the aggregate.

Upon events of default (including registration statement failures, trading suspensions, conversion failures, or material breaches), holders may require redemption at 120% of the conversion amount. Upon any bankruptcy event of default, the Company must immediately pay all outstanding amounts multiplied by a 120% redemption premium without requiring notice or demand from holders.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The August 2025 Warrants have an initial exercise price of $54,000 per share, subject to decrease on days 30, 60 and 90 following the issuance date to 20% below the prevailing market price at that time and to anti-dilution adjustments for certain dilutive issuances. The August 2025 Warrants have a term of three years. Cashless exercise is permitted after six months if a resale registration statement is not effective. In connection with a "fundamental transaction," the holder has the right to exchange its warrant for a similar warrant in the successor entity or cash pursuant to a Black-Scholes formula. Upon an event of default, the holder has the right to redeem its warrant for cash based on a Black-Scholes formula.

The August 2025 Notes, the Amended Notes and the August 2025 Warrants are subject to a beneficial ownership limitation of 4.99% (subject to increase to 9.99% with 61-day notice and shareholder approval) to prevent any holder from exceeding this threshold. We are required to reserve 200% of the shares issuable upon conversion of all August 2025 Notes, Amended Notes and August 2025 Warrants at the applicable conversion price or exercise price.

Concurrently with the entry into the August 2025 SPA, we entered into a registration rights agreement, whereby we undertook to file with the SEC a Form F-1 registration statement within 45 days from the initial closing in order to register for resale the shares issuable upon the conversion and/or exercise of the August 2025 Notes and August 2025 Warrants and the Placement Agent Warrant (as defined below) and to use our reasonable best efforts to cause the registration statement to be effective within 90 days from the initial closing (or 120 days in the event of a full SEC review). The same rights apply with respect to the shares issuable upon conversion of the Amended Notes. The registration rights agreement provides for liquidated damages for certain defaults equal to 1% of the original principal amount of the August 2025 Notes for each 30-day period until the default is cured, up to an aggregate of 10% thereof. The registration rights agreement contains other customary terms and conditions, including indemnification obligations.

The debt restructuring of the June 2025 loan was treated as extinguishment as of the August 2025 transition date, resulting in finance expenses of $14,020,338.

Rodman & Renshaw LLC acted as sole placement agent for the offering. The fees of the placement agent consisted of a total of $300,000 in cash and the issuance of a warrant to purchase an aggregate of 1 ordinary share on the same terms and conditions as the warrants issued to investors in the offering, except for the potential adjustment of the exercise price on days 30, 60 and 90.

15. *Warrant Term Extension*

The Company has outstanding warrants to purchase 1 ordinary share exercisable at NIS 167,427,000 (approximately $55,809,000 per share), which were issued in connection with a private financing in February 2022 (the "2022 Warrants"). The 2022 Warrants currently trade on the Nasdaq Capital Market under the symbol "HUBCZ." The 2022 Warrants were scheduled to expire on August 22, 2025. To allow additional time for the 2022 Warrants to be exercised and to potentially generate future cash proceeds to the Company, on August 11, 2025, the Company extended the expiration date of the 2022 Warrants to August 22, 2027.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

16. *Settlements with 2023 PIPE Investors*

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 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 27 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 $1,500,000 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 private placement in connection with the closing of our business combination with Mount Rainier Acquisition Corp., a Delaware special purpose acquisition company, in 2023 (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 72,150 (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 remain unpaid fees of $3,298,000 under the A-Labs Agreement.

On November 6, 2025, the Company entered into a settlement agreement with each of A-Labs, MOFO Holdings LLC and Viserion Ltd. (the "PIPE Investors"), which had entered into subscription agreements with the Company to invest an aggregate of $50 million in the PIPE Financing. After all the other closing conditions for the business combination were met, we decided to proceed with the closing despite not having received the funds payable under the Subscription Agreements from the PIPE Investors. The signing of the settlement agreements followed a mediation process, which was approved by the Company's Audit Committee and Board of Directors, and by the Company's shareholders on December 16, 2025. According to the settlement agreement, taking into account the parties' respective claims and the various agreements between them, no funds or other form of consideration shall be paid or transferred from the PIPE Investors to the Company, and the Company shall not pay any funds or any other form of consideration to any of the PIPE Investors, all in exchange for full and absolute waivers by the parties toward each other (including shareholders, officers, directors parent and subsidiaries thereof, and anyone acting on behalf of any of them).

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Additionally, according to the settlement, the Company will repay to A-Labs the amount outstanding in connection with a secured loan extended by A-Labs to the Company on January 17, 2023 in the amount of $900,000, which with original issuance discount and accrued interest amounts to $1,800,000. The repayment will be in the form of ordinary shares of the Company based on the lowest closing price of the ordinary shares on Nasdaq during the five trading days preceding the date of the shareholders' approval, which was on December 16, 2025. The shares will be subject to the following lock-up periods: 40% of the shares will be restricted for a period of 40 days, 30% will be restricted for a period of 70 days, 25% will be restricted for a period of 100 days and 5% will be restricted for a period of 130 days. The 5% tranche will be subject to a one-time upward or downward adjustment to the extent that the sum of (i) the proceeds from the sale of shares by A-Labs and (ii) the current market value of the shares held by A-Labs are less than or greater than $1,800,000, respectively. A-Labs must make reasonable commercial efforts to maximize the consideration it receives for the sale of shares. The sale of shares by A-Labs on Nasdaq on any trading day may not exceed 5% of the current day's trading volume of the ordinary shares thereon.

In April 2026, the Company received a letter addressed to our directors from counsel to A-Labs, demanding that we pay the $1,800,000 plus interest. In May 2026, the Company's counsel responded by rejecting all allegations raised by A-Labs in their letter.

In addition, on April 16, 2026, an application was filed against the Company to hold it liable for a judgment awarded against A-Labs in favor of Teshua Ltd., based on the alleged amount of $1,800,000. The Company explained that it was unable to realize the shares due to an attachment imposed on A-Labs and/or its representatives, and that, in any event, at present the matter does not concern the amount alleged by A-Labs, but rather shares whose value is substantially lower. A hearing on this matter is scheduled for July 21, 2026.

Separately, on February 27, 2026, DC Rainier SPV LLC, the former sponsor of Mount Rainier Acquisition Corp., filed a complaint against the Company and A-Labs in the Supreme Court of the State of New York alleging, among other things, that the Company and A-Labs misrepresented the existence of approximately $50 million of PIPE financing commitments in connection with the Mount Rainier business combination, and on April 28, 2026, the plaintiff filed a motion for entry of a default judgment against the Company seeking not less than $5,080,027, plus interest, fees and costs. For more information, see Note 28.

17. *Consulting agreements:*

In October 2025, the Company reached a settlement with Mr. Moshe Bergman, who assisted the Company with obtaining the investment from the March-November 2024 Investor, with respect to a requested service fee of $550,000. Pursuant to the settlement, the Company agreed to pay $100,000 in cash and issue 16 ordinary shares.

On July 10, 2025, the Company entered into a share purchase agreement with the BlackSwan investor referenced in Note 4(6), for the purchase of 16 shares for a total consideration of $750,000, at a price of $45,000 per share.

On August 6, 2025, the Company entered into an additional share purchase agreement with the BlackSwan investor referenced in Note 4(6), for the purchase of 16 shares for a total consideration of $750,000 at a price of $45,000 per share.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In November 2025, the Company entered into a consulting agreement with Pey Capital PTE Ltd. pursuant to which Pey undertook to provide the Company with consulting and management services related to the Company's development, production, potential future launch and promotion of one or more utility tokens, as well as advice related to the fintech market, blockchain currency and related matters. The agreement has a term of three years, and the consulting fee consists of 66 ordinary shares, subject to reverse vesting in 36 equal monthly tranches.

c. Warrants Liabilities

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 share of RNER common stock (each a "RNER Share") and one warrant of RNER entitling the holder to purchase three-fourths of one RNER Share per warrant at a price of $1,725,000 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 0.0899 (pre-reverse split of 1:15, 1;50, 1:20) ordinary shares, and each RNER Warrant issued and outstanding immediately prior to the Effective Time converted into the right to receive 0.0899 (pre-reverse split of 1:15, 1;50, 1:20) 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 10 New Warrants to purchase 160,438 (pre-reverse split of 1:15, 1;50, 1:20) ordinary shares of the Company were issued to holders of the RNER warrants, of which 5,359 (pre-reverse split of 1:15, 1;50, 1:20) warrants are private warrants and the remaining 155,078 warrants are public warrants. As a result of the conversion into the New Warrants, as well as the reverse share splits at a ratio of 1:10 that were effected in each of December 2023 and in March 2025, the exercise price increased to $1,280 per each share (pre-reverse split of 1:15, 1;50, 1:20).

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.

Through December 31, 2025, no warrants were exercised into ordinary shares of the Company.

d. Fair Value measurements

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.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	December 31, 2024	
	Level 1	**Level 3**
Public warrants	583	-
Private warrants	-	13,301
Conversion component of convertible loans	-	5,141
Total	583	18,442

	December 31, 2025	
	Level 1	**Level 3**
Public warrants	29	-
Private warrants	-	2,655
Conversion component of convertible loans	-	282
Convertible loans measured whole at fair value		57,756
Total	29	60,693

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.

As of December 31, 2025, and December 31, 2024, the Company did not have any instrument measures at fair value, which was classified as Level 2.

The Company measures the fair value of Conversion component of convertible loans and warrants by using 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 models for the private warrants were as follows:

2024 Accredited Investors – Black and Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.48%
Expected term (years)	0.62-0.63
Expected volatility	135.88-136.37%
Exercise price	75,000-172,500
Underlying share price	5,820

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The key inputs into the Black-Scholes or Monte Carlo simulation models for the Conversion component of convertible loans were as follows:

Shayna Loan Agreements - Black Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.67%
Expected term (years)	0.25
Expected volatility	135.70%
Exercise price	135,000
Underlying share price	5,820

Lind Agreement - Black Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.52%
Expected term (years)	2.65
Expected volatility	154.39%
Exercise price	75,000
Underlying share price	5,820

2024 Accreditor Investors Loan - Conversion component

	December 31, 2025
Risk- free interest rate	3.750%
Expected term (years)	0.13
Expected volatility	145.74%
Underlying share price	5,820

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

March-November 2024 Notes - Black Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.65%
Expected term (years)	4.13
Expected volatility	154.81%
Exercise price	75,000
Underlying share price	5,820

Claymore Convertible Loan - Black Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.471-3.495%
Expected term (years)	1.06-2.31
Expected volatility	144.30-157.00%
Exercise price	21,430-75,000
Underlying share price	5,820

Claymore Convertible Loan - Black Scholes - Conversion component

	December 31, 2025
Risk- free interest rate	3.50-3.84%
Expected term (years)	0.63-5.00
Expected volatility	136.07-157.88%
Exercise price	15,000-75,000
Underlying share price	5,820

Claymore Convertible Loan - Monte Carlo - Conversion component

	December 31, 2025
Risk- free interest rate	3.48%
Expected term (years)	1-1.06
Expected volatility	152-156%
Underlying share price	5,820

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

JJ Astor Convertible Loan - Black Scholes on warrants

	December 31, 2025
Risk- free interest rate	3.64-3.68%
Expected term (years)	4-4.41
Expected volatility	154.81%
Exercise price	37,050-127,490
Underlying share price	5,820

Julestar - Black Scholes on warrants

	December 31, 2025
Risk-free interest rate	3.649%-3.671%
Expected term (years)	4.1-4.35
Expected volatility	154.81%
Exercise price	15,000-28,500
Underlying share price	5,820

Canadian warrants - Black Scholes on warrants

	December 31, 2025
Risk-free interest rate	3.480%-3.990 %
Expected term (years)	1.03-1.5
Expected volatility	149.93%-156.67 %
Exercise price	120,000
Underlying share price	5,820-42,000

Monte Carlo Simulations – convertible loan valuations measured whole at fair value:

Claymore December 2024 and January 2025

	December 31, 2025
Risk-free interest rate	3.48%
Expected term (years)	1.00-1.06
Expected volatility	151.86%-155.80%
Exercise price	75,000-643,200
Underlying share price	5,820

Seven Knots

	August 20, 2025 – December 31, 2025
Risk-free interest rate	3.47%-3.90%
Expected term (years)	1.00-2.00
Expected volatility	146.13%-159.66%
Exercise price	7,500-45,000
Underlying share price	5,820-37,498

Make-Whole

	December 31, 2025
Risk-free interest rate	3.47%
Expected term (years)	2.00
Expected volatility	147.45%
Exercise price	15,000-43,200
Underlying share price	5,820

Keystone

	August 27, 2025 – December 31, 2025
Risk-free interest rate	3.41%-3.59%
Expected term (years)	1.00-3.00
Expected volatility	143.89%-159.89%
Exercise price	6,900-54,000
Underlying share price	5,820-32,848

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

ELOC

	December 31, 2025
Risk-free interest rate	3.50%
Expected term (years)	0.91
Expected volatility	145.10%
Exercise price	7,400
Underlying share price	5,820

March-November 2024 Notes

	December 31, 2025
Risk-free interest rate	3.75%
Expected term (years)	0.13
Expected volatility	145.74%
Exercise price	75,000
Underlying share price	5,820

JJ Astor convertible loan

	August 4, 2025 – December 31, 2025
Risk-free interest rate	3.67%-4.05%
Expected term (years)	0.25-0.66
Expected volatility	135.39%-168.21%
Underlying share price	5,820-35,848

Rodman & Renshaw August warrants 31.12.25 - Monte Carlo on warrants

	December 31, 2025
Risk-free interest rate	3.52%
Expected term (years)	2.66
Expected volatility	154.32%
Exercise price	6,900-54,000
Underlying share price	5,820

The following table presents the changes in the fair value of liabilities:

	Public Warrants	Private Warrants	Conversion Component	Convertible loan measured whole at fair value	Total
Fair value as of December 31, 2024	$ 583	$ 13,301	$ 5,141	-	$ 19,025
Issuance of conversion component related to the convertible loans	-	-	$ 2,909	-	$ 2,909
Issuance of warrants related to the convertible loans	-	$ 17,717	-	-	$ 17,717
Exercise of warrants	-	$ (5,561)	-	-	$ (5,561)
Classification of warrant liability to equity	-	$ (10,529)	-	-	$ (10,529)
Conversion of convertible loans into ordinary shares	-	-	$ (6,297)	$ (14,572)	$ (20,869)
Issuance of Convertible loan measured whole at fair value	-	-	-	$ 44,960	$ 44,960
Change in fair value	$ (556)	$ (13,311)	$ (1,811)	$ 24,981	$ 9,303
Adjustments arising from translating financial statements from functional currency to presentation currency	2	$ 1,038	$ 340	$ 2,387	$ 3,767
Balance as of December 31, 2025	$ 29	$ 2,655	$ 282	$ 57,756	$ 60,722

NOTE 18 – FINANCIAL INSTRUMENTS

a. Financial assets:

Financial assets at amortized cost:

	December 31,	
	2025	2024
	USD in thousands	
Trade receivable and other assets	13,659	14,789
Restricted cash and bank deposit	681	388
Total current assets	14,340	15,177
Long-term deposit	216	165
Total non-current assets	216	165

b. Other financial liabilities:

Other financial liabilities at amortized cost:		
Short-term loans (1)	13,983	13,534
Convertible loans	1,626	24,763
Trade payables	9,825	8,200
Other accounts payable	43,168	39,474
Liabilities for government grants	557	442
Total other financial liabilities at amortized cost	69,159	86,413
Total current liabilities	68,890	86,240
Total non-current liabilities	269	173

(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. All risk management activities 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 by its employees.

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.

NOTE 18 – FINANCIAL INSTRUMENTS (Cont.)

Risk management is performed by the Company's chief executive officer.

1) Exchange rate risk:

Though the Group operates internationally, its operations are primarily located in Israel and the majority of its expenses are denominated NIS. It 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.

In addition, the Company's financial results are reported in USD, and changes in the exchange rate between the USD and local currencies in those countries in which the Company operates (primarily the NIS) may affect the results of its operations. The USD cost of the Company's operations in countries other than the United States, is negatively influenced by revaluation of the USD against other currencies.

2) Credit risk:

As of December 31, 2025, cash and cash equivalents amounted to $1,763 thousand. The entire cash and cash equivalents are invested with high quality financial institutions. The Company and its 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 1c).

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. This risk is of primary focus to the Company given its current dependency on debt financing and the ability to obtain future debt financing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans (see also note 1c).

e. Fair value:

The carrying amount of cash and cash equivalent, trade receivables net, other accounts receivable, short-term bank loans, 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,	
	2025	2024
	USD in thousands	
Expenses in respect of defined contribution plans	1,641	1,632

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

2025

	Expenses recognized in profit or loss						Gain (loss) from remeasurement in other comprehensive income					Contributions		
	Balance as of January 1, 2025	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, 2025
	USD in thousands														
Defined benefit obligation	2,876	101	138	-	239	(899)	-	-	27	(58)	(32)	(692)	-	-	2,539
Fair value of plan assets	(2,225)	-	(109)	31	(79)	623	(14)	-	-	-	(14)	(423)	(107)	-	(2,085)
Net defined benefit liability (asset)	651	101	29	31	160	(277)	(14)	-	27	(58)	(46)	269	(107)	-	454

2024

	Expenses recognized in profit or loss						Gain (loss) from remeasurement in other comprehensive income					Contributions		
	Balance as of January 1, 2024	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, 2024
	USD in thousands														
Defined benefit obligation	3,135	126	150	-	276	(537)	-	-	(13)	36	23	(21)	-	-	2,876
Fair value of plan assets	(2,266)	-	(108)	28	(80)	424	(191)	-	-	-	(191)	13	(125)	-	(2,225)
Net defined benefit liability (asset)	869	126	42	28	196	(113)	(191)	-	(13)	36	(168)	(8)	(125)	-	651

NOTE 19 – NET EMPLOYEE DEFINED BENEFIT LIABILITIES (Cont.)

d. The principal assumptions underlying the defined benefit plans:

	2025	2024
	%	
Discount rate (1)	4.75-4.8	5.32
Expected rate of salary increase	2.5	3.18

(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, 2025	
Sensitivity test for changes in the expected rate of salary increase:	
The change as a result of:	
1% salary increase	(175)
1% salary decrease	138
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	145
1% decrease in discount rate	(183)

NOTE 20 – EQUITY

a. Composition of share capital:

	December 31, 2025		December 31, 2024	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares in thousands			
Ordinary shares with no par value	66,667	2	6,667	0.23

Effective March 28, 2025, the Company's shares were reverse split in a ratio of 1:10. Effective January 14, 2026, the Company's shares were reverse split in a ratio of 1:15. Effective March 31, 2026, the Company's shares were reverse split in a ratio of 1:50. Effective June 5, 2026, the Company's shares were reverse split in a ratio of 1:20. 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.

b. Movement in share capital:

i. Issued and outstanding share capital:

	Number of shares of no par value
	in thousands
Balance as of January 1, 2025	0.23
Issuance of shares	1.77
Exercise of options and warrants	-
Balance as of December 31, 2025	2

ii. Shares issued:

1. AGP

During January and February 2025, AGP converted an aggregated amount of $500 thousand into 6 ordinary shares pursuant to the terms of the Amended Note described in Note 3(1).

2. 2023-2024 Accredited Investor

During March 2025, certain Accredit Investors converted an aggregated amount of $550 thousand into 3 ordinary shares, pursuant to the Accredit Investor Notes described in Note 3(2). In February 2025, the 2023–2024 accredited investor group received a benefit consisting of 17 warrants and 8 ordinary shares as a result of early conversions of their convertible loans.

NOTE 20 – EQUITY (Cont.)

3. Lind

   During February 2025, Lind exercised Lind Warrants using the cashless exercise formula to purchase 24 ordinary shares at an exercise price of $60,000, pursuant to the Lind SPA described in Note 3(b).

4. Claymore

   During 2025, Claymore investors converted an aggregated amount of $10,524 thousand into 273 ordinary shares.

   Pursuant to a settlement agreement between the Company and two of its creditors, pursuant to which Claymore undertook to settle outstanding debt on behalf of the Company, Claymore converted an aggregate amount of $13,414 thousand into 288 ordinary shares and converted prefunded warrants into 7 ordinary shares.

5. Creditor Settlement Agreement

   Pursuant to a debt settlement agreement with one of BlackSwan's investors and creditors, a convertible loan in the principal amount of $1.54 million and 41 warrants were converted and exercised, respectively into 61 ordinary shares of the Company.

6. Consulting Agreement

   During 2025, consultants were issued an aggregate of 170 ordinary shares, pursuant to consulting agreements. Expenses in the aggregate amount of $2,877 thousand were recorded under sales and marketing expenses.

7. Prefunded Warrants

   As part of the Company's debt settlements with two of its creditors, in which Claymore participated, and in connection with both convertible and non-convertible loans provided by Claymore during the first half of 2025, Claymore received 234 prefunded warrants, out of which 176 were exercised for ordinary shares.

   During 2025, the March-November 2024 Investor converted 63 prefunded warrants into 63 ordinary shares.

8. March-November 2024 Investor and Seven Knots

   During 2025, the March-November 2024 Investor converted $1,500 thousand of convertible loan principal into 33 shares.

9. Exchange note

   During 2025, the exchange note investors converted $6,662 thousand of convertible loan principal into 361 shares.

10. August 2025 SPA

    During 2025, the August 2025 SPA investors converted $1,500 thousand of convertible loan principal into 100 shares.

NOTE 20 – EQUITY (Cont.)

11. Share-based compensation to key management

    During 2025, members of the Company's key management received an aggregate of 33 ordinary shares, as part of their compensation. Expenses in the amount of $2,953 thousand were recorded under general and administrative and research and development expenses.

12. Conversion of loans

    During 2025, investor loans in the amount of $275 thousand was converted into ordinary shares.

13. Oozi Cats Subscription Agreement

    During 2025, Oozi Cats received 33 ordinary shares at a purchase price of $45,000 per share for a total consideration of $1,500 thousand, pursuant to the terms of the subscription agreement.

14. ELOC

    As of December 31, 2025, an amount of $1,600,000 under the ELOC loan was converted into 107 shares.

15. JJ Astor

    As of December 31, 2025, JJ Astor converted a principal amount of $2,165,497 under the December 2024 convertible note into 98 ordinary shares.

16. Reclassification of warrants from liability to equity

    In February 2025, the terms of the warrants previously issued to the March-November 2024 Investor in connection with four investment tranches completed during 2024 were amended. Pursuant to the amendment, the exercise price of all such warrants, which are exercisable for an aggregate of 86 ordinary shares, was modified to a unified exercise price of NIS 266,550 per share, and the cashless exercise feature was removed. As a result of the amendment, the warrants were reclassified from liabilities to equity. As of the date of reclassification, the fair value of the warrants was $10,529 thousand. For additional information, see Note 3.

NOTE 20 – EQUITY (Cont.)

c. Treasury shares - Company shares held by the Company:

The interests of the Company in the Company's shares are as follows:

	December 31,	
	2025	2024
	%	
% of issued and outstanding share capital	0.05	0.24

d. 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,		
	2025	2024	2023
	USD in thousands		
Equity-settled share-based payment plans	3,189	2,070	7,115

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 granted 11 share options to senior officers, employees and consultants of the Company and to an investment bank assisting the transaction.

c. 2021 Employee Stock Option Plan:

The Company has authorized through its 2021 Employee Stock 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. As of December 31, 2025, there were 13,559 ordinary shares reserved and available for issuance under the Plan (after adjustment for the 1:15 reverse split effected on January 15, 2026, the 1:50 reverse split effected on April 20, 2026 and the 1:20 reverse split effected on June 5, 2026). 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.

d. 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:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Share options outstanding at beginning of year	-	426,000	2	1,506,000
Share options granted during the year	-	-	-	-
Share options exercised during the year	-	-	-	7,500
Share options forfeited during the year	-	-	-	6,000
Share options expired during the year	-	1,205,000	-	2,476,500
Share options outstanding at end of year	-	933,532	-	426,000
Share options exercisable at end of year	-	1	-	378,000

Each option is exercisable into one ordinary share of no par value.

NOTE 21 – SHARE-BASED PAYMENT (Cont.)

A summary of the status of RSUs under the Plan as of December 31, 2025 and changes during the relevant period ended on that date is presented below:

	Number of RSU
Outstanding at beginning of year*	1
Granted	451
Vested	(12)
Forfeited and cancelled	(9)
Outstanding at end of year	431

* This includes shares granted with performance obligations which were not fulfilled as of December 31, 2025.

The total equity-based compensation expense related to all of the Company's equity-based awards recognized for the years ended December 31, 2025, 2024 and 2023, was comprised as follows:

	Year ended December 31,		
	2025	2024	2023
Cost of revenues	-	-	35
Research and development expenses	163	(11)	3,010
Sales and marketing expenses	85	(32)	211
General and administrative expenses	2,941	2,113	3,859
Total share-based payment	3,189	2,070	7,115

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES

Legal Proceedings

From time to time, 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 and directors, as well as governmental and other regulatory investigations and proceedings.

There is no pending litigation or proceeding against any of the Company's officers or directors as to which indemnification is currently being sought, and, except as described below, the Company 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.

Set forth below is a brief summary of the material litigation and other proceedings the Company is currently facing:

1. Insurance reimbursement claim – In May 2018, Rotem Amfert Negev Ltd. filed an insurance reimbursement claim against the Company and approximately 15 other defendants in the Tel Aviv District Court for damages caused by a fire at plaintiff's factory. The plaintiff filed evidence on November 24, 2025 and the Company filed its evidence on June 30, 2026. A mediation procedure was approved by the parties and was scheduled for July 14, 2026 and July 30, 2026.

   At this stage, based on the assessment of legal counsel, no provision was recorded in respect of this claim.

2. Contract Tender Litigation – In March 2022, a motion to certify a class action was filed against the Company in connection with the alleged delayed disclosure of the cancellation of a contract tender. Following various procedural developments, including mediation attempts that did not result in a settlement, on February 18, 2026, the court partially granted the motion for certification with respect to certain allegations while dismissing the majority of the claims. On April 19, 2026, the plaintiff filed an amended statement of claim seeking damages of approximately NIS 5.4 million (approximately $1.69 million). On May 28, 2026, the Company filed a motion seeking reconsideration of the partial class action certification and the plaintiff filed its response on July 1, 2026. A hearing on this motion is scheduled for November 4, 2026.

   As of the date of this Annual Report, a provision in the amount of $784 thousand was recorded by the Company.

3. PIPE Financing Litigation – In March 2023, a motion for class action certification was filed against the Company and other respondents, alleging misleading disclosures regarding irrevocable investment commitments in connection with the PIPE Financing. The applicant seeks to represent shareholders who purchased the Company's ordinary shares between March 2022 and February 23, 2023, claiming aggregate damages exceeding NIS 2.5 million. The proceedings remain at the class certification stage. During 2024, certain respondents and claims were dismissed or withdrawn following the Court's recommendations. During 2025 and 2026, the parties continued with evidentiary and pre-trial proceedings, including discovery-related motions. As of the date of this Annual Report, the certification motion remains pending, and the litigation is ongoing.

   At this stage, it is not possible to assess the prospects of the certification motion being granted.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

4. Y.H. Lahav Financial Advisors – On June 4, 2024, Y.H. Lahav Financial Advisors filed claims with the Tel Aviv District Court against BlackSwan Technologies, Inc. and Cognitive Systems Ltd., which subsequently became subsidiaries of the Company, and directors thereof. The claims allege breaches of a loan agreement and seek damages totaling approximately $2 million. On July 3, 2025, the parties filed a joint motion to suspend proceedings in order to transfer the case to mediation. However, as the mediation failed, court proceedings resumed. On March 19, 2026, the plaintiff filed an ex parte motion to impose attachments against the individual defendants (not BlackSwan and the Company) and the motion was partially approved with regards to some individual defendants on May 19, 2026. On May 25, 2026, the court approved a motion by the plaintiff to amend the statement of claim and add the Company as a party to the proceedings. The Company is required to file its statement of defense by July 25, 2026.

   Based on the assessment of legal counsel, no provision was recognized in the financial statements in accordance with IAS 37, as a liability was already recorded as a loan.

5. Tufin – Tufin Software Technologies Ltd. (“Tufin”) filed a claim in the Tel Aviv Magistrates Court against Comsec Ltd. (a Company subsidiary) and the Company for NIS 1,891,799 in unpaid debt. While settlement discussions were ongoing, on September 4, 2024, Tufin filed a motion for judgment on grounds that the respondents had not submitted their defense. The Company is currently in discussions with Tufin to make a payment schedule and settle this matter outside of court.

6. The Phoenix Insurance Company Ltd. v. Hub TLV – On February 20, 2025, a claim was filed against Hub Cyber Security TLV Ltd. (“HUB TLV”) for NIS 165,496 in unpaid social benefits for employees insured by the Phoenix Insurance Company Ltd. The payments were subsequently made, and the claim was dismissed on January 31, 2026.

7. Fortinet – Fortinet Inc. (the “Seller”), which sold software products to a Company affiliate (the “Affiliate”), sued the Company in October 2025 to enforce a February 2023 guaranty. The Seller alleges that the Company unconditionally and irrevocably guaranteed full and prompt payment of all the Affiliate’s unpaid obligations and agreed to indemnify the Seller for enforcement costs. The Seller alleges the Affiliate is in default on more than $3 million in invoices due between February 13 and May 1, 2023, and that the Company is liable for these unpaid invoices. The parties have agreed to extend the deadline for the Company to answer the complaint while discussing potential settlement.

   The full amount of the claim, including the interest component, has been recorded in the Company’s financial statements under trade payables and other payables.

8. Tandu – On November 27, 2025, Tandu Technologies and Security Systems Ltd. filed a claim against Hub TLV for NIS 3,957,254, alleging breach of contract by the Company. As the claim concerns the Company and not HUB TLV, Hub TLV filed a motion to dismiss on January 11, 2026. On January 19, 2026, the parties agreed that the claim would be amended with the Company reserving all rights under the motion to dismiss, and the court approved this understanding on January 21, 2026. On February 11, 2026, Tandu filed the amended claim. The Company filed its statement of defense on June 14, 2026, arguing that the claim should be dismissed in its entirety, as it directly contradicts the contractual understandings between the parties.

   At this preliminary stage, based on the assessment of legal counsel, no provision was recorded in respect of this claim.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

9. Class Action Suit – 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 Business Combination — have alleged that the Class Action Defendants made material misstatements and omissions in the offering materials issued in connection with the Business Combination. 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 make a claim against the Company. The motion to dismiss was partially granted by the Court and while some claims were dismissed, the bulk of plaintiff's allegations have survived and so the case has moved forward into discovery.

   The parties entered mediation on September 3, 2025. Following the mediation, the parties reached an agreement in principle to resolve the class action in an amount of $11,000 thousand. The settlement represents a full and final resolution of the claims asserted in the class action without any admission of liability by the Company or the Individual Defendants. The settlement remains subject to court approval and related administrative processes, after which the funds will be distributed to eligible class members in accordance with a court-approved plan of allocation. The parties signed a Term Sheet on October 9, 2025, and thereafter notified the court of the settlement.

   On December 9, 2025, the shareholders filed a motion for (i) preliminary approval of the class action settlement, (ii) certification of the settlement class, and (iii) approval of notice to the settlement class, together with the Stipulation and Agreement of Settlement (the "Settlement"). On December 10, 2025, the court granted the motion and preliminarily approved the Settlement as fair and reasonable. At a hearing held on June 29, 2026, the court indicated that the settlement will be approved, but asked Plaintiffs' counsel to provide supplemental information regarding the breakdown/division of fees between the Plaintiffs' law firms. The Company anticipates that the Court will formally approve the settlement thereafter. As of the date of this Annual Report, a provision in the amount of $11,000 thousand was recorded by the Company.

10. Former employees have filed the following claims:

    (a) On April 2, 2025, a former employee of Blackswan Germany filed a claim for protection against unfair dismissal before the Labor Court of Giessen, Germany, arguing that the termination notice is invalid, and claimed EUR 116,883 in damages for various employment matters. A default judgment was issued against BlackSwan Germany on June 30, 2025, following non-appearance, and the subsidiary filed a timely objection on August 12, 2025. On September 10, 2025, Blackswan issued another termination notice. On March 3, 2026, Blackswan Germany notified the court about the commencement of insolvency proceedings. By notice dated March 3, 2026, the court suspended proceedings without setting a new hearing date for the duration of insolvency proceedings. The plaintiff has sought provisional enforcement of the default judgment and obtained a garnishment and transfer order directed at one of the Company's clients.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

In separate proceedings regarding the same former employee before the Labor Court of Giessen, a partial default judgment was issued on December 2, 2024, followed by a final default judgment on March 12, 2025, both final and binding. Blackswan was ordered to pay salary claims for June 2023 through November 2024 in the amount of EUR 225,000, plus interest on EUR 12,500 per month from the respective due dates. The plaintiff was also granted health insurance contributions for December 2022 through November 2024 in the amount of EUR 24,934, plus interest. The plaintiff has enforced these claims by obtaining a garnishment and transfer order directed at one of the Company's clients. Blackswan is examining options to challenge or defend against the enforcement measures.

At this preliminary stage, based on the assessment of legal counsel, the Company is unable to assess the chances of these lawsuits being successful or assess the actual exposure to the Company.

(b) On April 19, 2025, another former employee of Blackswan Germany filed a claim for protection against unfair dismissal before the Labor Court of Mönchengladbach, Germany, arguing that the termination notice is invalid. A hearing took place on January 19, 2026. The court largely dismissed the claim; Blackswan was solely ordered to provide the claimant with a qualified interim reference covering the nature and duration of employment as well as performance and conduct, and to issue an electronic copy of the wage tax certificate for calendar year 2024. However, due to the opening of insolvency proceedings over Blackswan Germany's assets, the judgment will not become final for the time being. Blackswan informed the court about the insolvency proceedings on March 23, 2026.

In separate proceedings regarding the same employee before the Labor Court of Mönchengladbach, a partial default judgment was issued on December 12, 2024, followed by a further partial default and final judgment on February 25, 2025, both final and binding. The former employee asserted salary claims for June 2023 through November 2024 in the amount of EUR 280,857, plus interest on EUR 15,603 per month from the respective due dates. The plaintiff was also awarded health insurance contributions for June 2023 through November 2024 in the amount of EUR 8,097, plus interest on EUR 450 per month accruing from the respective due dates. The plaintiff has enforced these claims by obtaining a garnishment and transfer order directed at one of the Company's clients. Blackswan is examining options to challenge or defend against the enforcement measures.

At this preliminary stage, based on the assessment of legal counsel, the Company is unable to assess the chances of these lawsuits being successful or assess the actual exposure to the Company.

(c) Two former employees of affiliates of the Company, QPoint Technologies Ltd ("QPoint") and Sensecom Consulting and Projects Management Ltd. ("Sensecom"), filed a claim against QPoint, Sensecom and against the Company on May 18, 2026, in the total amount of NIS 1,105,978, alleging they are entitled to payments for bonuses and for redemption of vacation days. The Company is currently studying the claim. At this stage, it is not possible to assess the chances of success for this claim or the actual exposure to the Company.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

11. Following the findings of the internal investigation of the Company's Special Committee in 2023, the Company filed claims against two former employees, which were settled in one agreement:

    (a) In June 2023 and February 2024, the Company initiated legal proceedings in the Tel Aviv Labor Court against its former Chief of Staff and VP of Human Resources, Ms. Ayelet Bitan, seeking a declaratory judgment for the recovery of accrued severance funds. In July 2024, the defendant filed a counterclaim seeking approximately NIS 1.27 million, alleging unlawful termination, gender discrimination, and workplace bullying. The counterclaim includes demands for the release of severance funds, six months' notice pay, and various compensatory damages for reputational harm and bad faith dismissal. The Company filed its statement of defense in November 2024, disputing the merits of all allegations.

    (b) On November 11, 2023, the Company filed a claim in the Tel Aviv Labor Court against Mr. Eyal Moshe, a former CEO of the Company, seeking 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 claims against Mr. Moshe and Ms. Bitan.

    On September 7, 2025, the parties to both of the foregoing claims entered into a settlement agreement, which was approved by the Court. According to the settlement, as consideration for each party's release of all claims and without the Company admitting to any of Ms. Bitan's or Mr. Moshe's allegations or agreeing to any of their demands, the Company (a) released all funds deposited by the Company on behalf of the former employees, including but not limited to severance pay contributions and (b) paid Ms. Bitan, in lieu of notice and as a supplement to severance pay, a retirement grant in the amount of NIS 250,000, payable in three equal monthly installments commencing on November 10, 2025. The Company recorded a provision in the amount of the settlement.

12. Israel Securities Authority and Israel Tax Authority Investigation – In September 2024, the Israel Securities Authority and Israel Tax Authority conducted a search of the Company's office in the context of investigating former and current officers in connection with suspicions regarding violations of securities, penal and tax laws. To the Company's best knowledge, the suspicions are related to the subject matter of the Internal Investigation. In addition, in April 2025, investigators from the Israeli Tax Authority visited the offices of the Company. To the Company's best knowledge, said visit related to developments in the investigation related to the actions of a former Financial Controller of the Company, which were also addressed in the Internal Investigation conducted by the Company. According to a letter provided to the Company in January 2026 by the Israel Securities Authority, the investigation has been concluded and the investigation file has been transferred to the Tel Aviv District Attorney's Office (Taxation and Economic Crimes) for resolution.

13. The law firm of Amit Pollak Matalon filed a claim on April 23, 2025, for NIS 441,624 in unpaid legal fees for services to BlackSwan Technologies, Inc. On July 21, 2025, the court approved a settlement requiring the Company to pay NIS 461,624 (including expenses) to dismiss the claim, which has been paid. The Company has recognized a provision in its financial statements in respect of this matter.

14. A claim was filed against BlackSwan Technologies, Inc. by 8 Allocate OU in a U.S. court on April 4, 2024, for $178,738. The case resulted in a default judgment of $148,348 on January 29, 2024. On November 10, 2025, the plaintiff sought court permission to file subpoenas and restraining notices against the Company and its affiliates to compel production of documents or assets belonging to BlackSwan, which would be used to satisfy the judgment. On November 28, 2025, a lien was placed on the bank account of a Company subsidiary. On December 10, 2025, the Company paid the judgment in full and the lien was released.

15. Yuval Lev – On February 8, 2023, Mr. Yuval Lev filed a motion in the Tel Aviv District Court seeking discovery as a preliminary proceeding prior to submitting a motion to certify a derivative action. The motion focused on the release of Clover Wolf Capital from the PIPE investment that had been expected to close concurrently with the Business Combination Agreement in February 2023, and includes allegations regarding A-Labs, which held a significant stake in the Company and entered into a voting agreement with other shareholders (allegedly forming a control group), and that one investor acted as the Company's investment banker, while one of its shareholders and managers serves as a director and chief executive officer of the Company. The motion alleged that these actions demonstrate a breach of the duties of care and loyalty imposed on the Company's officers and directors, as well as an alleged basis for pursuing legal action against third parties. On January 26, 2026, a pre-trial hearing was held, and the court instructed the parties to confer regarding certain sections of the motion for discovery of documents and to update the court on their discussions. The deadline to update the court has been extended until August 2, 2026.

16. On August 11, 2023, the Kaufbeuren Tax Office filed a petition to open insolvency proceedings against BlackSwan Technologies GmbH ("BlackSwan Germany") on the grounds of outstanding tax arrears. On October 6, 2023, AOK Bayern, Kaufbeuren, filed a similar petition to commence insolvency proceedings against BlackSwan Germany on the grounds of outstanding social security contributions. By order dated November 17, 2025, the Local Court of Kempten rejected insolvency proceedings for insufficiency of assets and ordered the dissolution of BlackSwan Germany. This order was published in the Commercial Register in December 2025, and the Commercial Register notified the intended compulsory deletion of BlackSwan Germany by letter dated February 5, 2026. BlackSwan Germany appealed, and the appeal was approved by the insolvency court on February 24, 2026. The compulsory deletion of BlackSwan Germany was averted and regular insolvency proceedings were commenced, which can be concluded by settling outstanding liabilities, thereby restoring BlackSwan Germany to regular standing (option 1) or by all creditors registering their claims with the insolvency table and the company being liquidated after the completion of the insolvency proceedings (option 2). As no direct or indirect liquidity injection from the Company's shareholders is expected, option 2 will be pursued.

NOTE 23 – INVESTMENTS IN SUBSIDIARIES

a. Investment in ALD Software:

On December 28, 2007, the Company entered into an agreement with ALD Software whereby on January 1, 2008, the Company transferred and sold to ALD Software the software department operation. The Company holds 98.63% of ALD Software.

b. Investment in QPoint:

On July 1, 2010, the Company completed the acquisition of 46.52% of the issued and outstanding shares of QPoint. In April 2024, the Company acquired the remaining shares of QPoint and now holds 100% of QPoint.

The Company and QPoint are party to a services agreement, pursuant to which the Company provides QPoint with various services such as comprehensive accounting, marketing, management, administration and office maintenance, in consideration for a management fee of 3% of QPoint's annual turnover. This agreement remains in effect as long as the Company holds 25% of QPoint's share capital.

On April 3, 2024 the Company acquired the shares of QPoint that it did not yet own at that time, constituting 53.5% of QPoint's outstanding shares for NIS 25,000,000 in cash. Following this acquisition, the Company holds 100% of QPoint.

d. Comsec Vendor Settlement

In 2024, Comsec and the Company entered into a settlement agreement with a vendor, whose debt was also covered by a guarantee by the Company, pursuant to which the vendor received an amount of NIS 13,656 thousand.

e. BlackSwan Merger:

On January 27, 2025, the Company completed an Agreement and Plan of Merger with BST, pursuant to which BST merged with and into a wholly-owned subsidiary of the Company.

As of December 31, 2025, the Company completed the sale of four BST subsidiaries located in Sri Lanka, Poland, Israel, and the United Kingdom, which were previously classified as held for sale in accordance with IFRS 5.

As of December 31, 2025, the Company recorded a full impairment loss on the technology asset acquired in the BST acquisition. See Note 11.

NOTE 24 – ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS

	Year ended December 31,		
	2025	**2024**	**2023**
	USD in thousands		
a. Cost of revenue:			
Salaries and related expenses	21,850	19,790	28,098
Subcontractors and consultants	2,942	3,879	8,359
Depreciation, amortization and impairment	-	-	4,757
Material	-	48	-
Impairment expenses	-	-	-
Other	1,580	798	693
	26,372	24,515	41,907
b. Research and development expenses, net:			
Salaries and related expenses	2,329	1,994	6,879
Other	416	8	298
	2,745	2,002	7,177
Less – government grants	-		(1,291)
	2,745	2,002	5,886
c. Sales and marketing expenses:			
Salaries and related expenses	3,018	2,732	4,239
Advertising and public relations	6,132	54	236
Depreciation, amortization and impairment	919	1,030	6,026
Other	131	366	193
	10,200	4,182	10,694
d. General and administrative expenses:			
Salaries and related expenses	8,950	6,369	8,409
Depreciation and amortization	1,224	1,111	1,463
Office Maintenance	715	1,600	1,392
Consulting	4,745	5,741	16,716
Professional services	1,879	5,799	3,486
Impairment expenses	43,554	572	10,643
Insurance	1,616	1,983	1,622
Other	4,041	1,730	5,441
	66,724	24,905	49,172

NOTE 24 – ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS (Cont.)

	Year ended December 31,		
	2025	2024	2023
	USD in thousands		
e. Other expenses, net:			
Governmental grants income	-	(173)	(1,159)
Loss on disposal of assets	170	354	-
Gain from disposal of liabilities	(4,263)		
ELOC	-	-	1,570
RNER listing expenses	-	-	12,312
	(4,094)	181	12,723
f. Finance income and expenses:			
Finance income:			
Gain from exchange rate differences	-	-	271
Changes in fair value of financial instruments	1,902	1,672	-
Interest income	325	548	213
	2,227	2,220	484
Finance expenses:			
Loss from exchange rate differences	3,129	391	-
Bank fees	167	286	109
Changes in fair value of financial instruments	24,981	-	247
Interest expenses	20,971	11,909	6,838
	49,248	12,586	7,194

NOTE 25 – TAXES ON INCOME

A. Tax rates applicable to the Group companies:

The Israeli corporate tax rate has been 23% since 2018.

A Company is taxable on its real capital gains at the corporate income tax rate in the year of sale.

B. Principal tax rates applicable to subsidiaries resident outside of Israel:

Company incorporated in the United States – Federal tax rate of 21%.

Company incorporated in the Netherland – The statutory corporate income tax rate in the Netherlands is 19% on annual taxable income of up to EUR 200 thousand and 25% on annual taxable income exceeding EUR 200 thousand.

C. Final tax assessments:

The Company and its subsidiaries had tax assessments through the 2020 tax year, which are deemed final.

D. Carry forward tax losses:

The Company has business losses that can be carried forward totaling approximately $243,547 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, 2024	(1,575)	1,459
Charged to profit or loss	404	(368)
Adjustments arising from translating financial statements from functional currency to presentation currency	14	(13)
Balance as of December 31, 2024	(1,157)	1,078
Charged to profit or loss	1,170	(1,002)
Adjustments arising from translating financial statements from functional currency to presentation currency	(71)	75
Balance as of December 31, 2025	(60)	151
As shown on balance sheet:	(60)	151

(1) The deferred taxes are computed at a tax rate of 23%.

NOTE 25 – TAXES ON INCOME (Cont.)

F. Taxes on income included in profit or loss:

	Year ended December 31,		
	2025	2024	2023
	USD in thousands		
Current taxes	195	276	210
Deferred taxes	(168)	(37)	(39)
Tax previous years	715	318	-
	743	557	171

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,		
	2025	2024	2023
	USD in thousands		
Loss before taxes on income	(117,306)	(36,589)	(84,435)*
Statutory tax rate	23%	23%	23%
Tax computed at the statutory tax rate	(26,980)	(8,415)	(19,420)
Increase (decrease) in taxes on income resulting from the following factors:			
Adjustment of deferred tax balances relating to prior years	(54)	(37)	-
Different tax rate applicable to foreign subsidiary	(44)	(4)	(2)
Utilization of carryforward losses for which no deferred taxes were computed in the past	-	(31)	(98)
Other losses and temporary differences for which no deferred taxes were computed	15,513	7,380	19,026
Non-deductible expenses for tax purposes	888	853	-
Non-deductible impairment of intangible	10,737	-	-
Tax previous years	702	318	-
Other, net	(19)	493	665
Taxes on income	743	557	171

* Comparative figures including the discontinued operation results.

NOTE 26 – BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES

a. Balances with interested and related parties:

December 31, 2025

	For details see Note	Directors	Key management personnel
		USD in thousands	
Other accounts payable	15	753	533
Loan	-	24	-

December 31, 2024

	For details see Note	Directors	Key management personnel
		USD in thousands	
Other accounts payable	15	725	33
Loan	-	66	-

BST Loan

The Company entered into a Loan and Security Agreement with BST, with an effective date of December 4, 2023 (the "BST Loan Agreement"), pursuant to which the Company was entitled to make cash advances to BST, at its sole discretion, until June 30, 2024, in an aggregate principal amount of up to $6,000,000.

The principal under the BST Loan Agreement accrues interest at a fixed rate per annum equal to 15% and is repayable on January 1, 2025, provided that BST has the right to prepay 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 18%.

As security for BST's obligations under the BST Loan Agreement, each of BST and its subsidiary, BlackSwan Technologies GmbH ("BST Germany"), granted the Company 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.

On January 27, 2025, BST became a wholly owned subsidiary of the Company. As a result, the loan is now an intercompany balance. While the original repayment terms remain in place, the arrangement no longer affects our consolidated liquidity position in the same way as an external loan would.

NOTE 26 – BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

b. Salaries and benefits to interested and related parties: (4)

	Year ended December 31,		
	2025	2024	2023
	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 including cost of share-based payment (1)	1,247	592	132
Salary and related benefits of senior management and fees of directors not employed by the Company including cost of share-based payment	3,374	625	566
Salary and related benefits to former Interim CEO and former CEO including cost of share-based payment (2)	328	476	811
Salary and related benefits to the former Chief of Staff and Vice President of Human Resources including cost of share-based payment (3)	-	-	28
	4,949	1,693	1,537

(1) Relates to the cost of employment of Mr. Noah Hershkovitz, a member of the Company's Board of Directors from October 3, 2023 to March 31, 2026, and Chief Executive Officer of the Company from December 4, 2023, to March 31, 2026.

Mr. Hershcoviz holds 9.99% of one of the Company's former service providers, A-Labs. Therefore, during his tenure as a member of the Board of Directors and as Chief Executive Officer, any decision regarding A-Labs transactions required special approval as a related party transaction. In addition, Mr. Hershcoviz also served as a director in BST and therefore decisions regarding BST prior to the BST merger also required special approval as a related party transaction.

(2) Relates to the cost of compensation and employment of Mr. Uzi Moskowitz, a member of the Company's Board of Directors and the Company's Interim Chief Executive Officer from February 2, 2023 until December 4, 2023; also relates to Mr. Eyal Moshe, a former member of the Company's Board of Directors and the Company's chief executive officer until February 2, 2023, excluding any misappropriates expenses. Mr. Moshe's employment with the Company was terminated for cause, effective July 24, 2023, in connection with these unauthorized expenses.

(3) Relates to the cost of employment of Ms. Ayelet Bitan, former Chief of Staff and Vice President of Human Resources in the Company and the spouse of Mr. Eyal Moshe, excluding any allegedly misappropriated expenses as detailed in Note 22. Ms. Bitan resigned in February 2023.

NOTE 26 – BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

c. Transactions with interested and related parties:

Year ended December 31, 2025

	Controlling shareholder	Key management personnel	Other interested and related parties	Total
	USD in thousands			
General and administrative expenses	-	1,575	2,327	3,902
	-	1,575	2,327	3,902

Year ended December 31, 2024

	Controlling shareholder	Key management personnel	Other interested and related parties	Total
	USD in thousands			
General and administrative expenses	-	1,068	625	1,693
	-	1,068	625	1,693

NOTE 27 – 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 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. 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. The Company recently expanded its data security services into Trust Rails, the framework that allows institutions to enforce control, auditability, and compliance across interactions between systems.

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 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:

	Year ended December 31, 2025			
	Professional services	Products and technology	Unallocated	Total
	USD in thousands			
Revenues from external customers	30,223	1,439	-	31,662
Total revenues	30,223	1,439	-	31,662
Segment results (operating loss)	(58,625)	(11,660)	-	(70,285)
Finance expenses, net				(47,021)
Loss before taxes on income				(117,306)

NOTE 27 – SEGMENTS (Cont.)

	Year ended December 31, 2024			
	Professional services	Products and technology	Unallocated	Total
	USD in thousands			
Revenues from external customers	28,523	1,039	-	29,562
Total revenues	28,523	1,039	-	29,562
Segment results (operating loss)	(17,086)	(9,137)	-	(26,223)
Finance expenses, net				(10,366)
Loss before taxes on income				(36,589)

	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)

b. Geographical segments:

Below is revenue by country, based on customer location, 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, 2025

	Israel	America	Europe	Asia Pacific	Total
	USD in thousands				
Revenues	28,141	234	2,855	432	31,662

Main customers:

	Year ended December 31, 2025
	USD in thousands
Turnover with main customers (1):	
Customer A	2,982
Customer B	2,189
	5,171

(1) Customers in the Professional Services segment.

NOTE 27 – SEGMENTS (Cont.)

	% of total sales
Customer A	9.42%
Customer B	6.91%
	16.33%

Year ended December 31, 2024

	Israel	America	Europe	Asia Pacific	Total
	USD in thousands				
Revenues	27,808	699	1,055	-	29,562

Main customers:

	Year ended December 31, 2024
	USD in thousands
Turnover with main customers (1):	
Customer A	2,373
Customer B	2,104
	4,477

(1) Customers in the Professional Services segment.

	% of total sales
Customer A	8.02%
Customer B	7.11%
	15.13%

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:

	Year ended December 31, 2024
	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	11.08%
	28.9%

NOTE 28 – EVENTS AFTER THE REPORTING DATE

1. Make-whole

Between November 2025 and January 2026, certain convertible note holders converted a portion of their notes at a conversion price of $50, which was higher than the applicable conversion price under the respective share purchase agreement, entitling those note holders to a cash payment (the "Alternate Conversion Floor Amount"). The Alternate Conversion Floor Amount was calculated based on the difference between the market value of the ordinary shares issuable pursuant to the applicable conversion price formula according to the terms of the applicable convertible note, and the market value of the ordinary shares actually issued at the conversion price of $50.

The Company and the note holders entered into exchange agreements in January and February 2026, pursuant to which, among other things, the Company and the note holders exchanged their existing notes for a new note with a principal amount equals to the full Alternate Conversion Floor Amount (the "Make-Whole Notes"). The Make-Whole Notes are substantially similar to their existing notes.

The total amounts converted under the foregoing conversion price limitation were $3,325, $3,788 and $2,500 thousand and the aggregate principal amounts issued under Make-Whole Notes were $771, $2,887 and $728 thousand under the Exchange Agreement, the August 2025 SPA and Commitment Note, respectively. In addition, the following principal amounts to be issued are $775 thousand under the Exchange Agreement.

2. ELOC

As of January 2026, the full amount of the ELOC loan from March 2025 was converted into 60 shares.

3. Exchange note

From January 1, 2026 until May 15, 2026, additional notes in the aggregate principal amount of $6,800 thousand have been exchanged under the Exchange Agreement for Amended Notes in the aggregate principal amount of $10,073 thousand.

On June 4, 2026, the Company and the March-November 2024 Investor entered into a Sixth Amendment to the Securities Purchase Agreement. Pursuant to this amendment, the Company issued a Secured Convertible Note (the "June 2026 Note") in the original principal amount of $5,556,000 in exchange for a cash investment in the same amount. This investment followed sales of notes in multiple installments from the March-November 2024 Investor to Seven Knots, LLC pursuant to their Note Purchase and Assignment Agreement, dated August 20, 2025. Such agreement was amended on June 3, 2026 to accommodate additional note purchases from time to time up to an aggregate principal amount of $8,000,000. The June 2026 Note bears interest at 20% per annum, computed on a 360-day basis and including interest on interest. The Note is secured *pari passu* by the same Charged Assets that secure existing outstanding notes under the Securities Purchase Agreement. The outstanding principal and accrued interest are due and payable on the earlier of (i) June 11, 2026, or (ii) five business days following the closing of a sale by the Company of QPoint Technologies Ltd. Commencing June 11, 2026, the holder is entitled to demand repayment of all or a portion of the June 2026 Note upon two business days' notice. The holder may convert any portion of the outstanding loan amount into Ordinary Shares at a price equal to the arithmetic average of the Closing Sale Prices of the Ordinary Shares for the five Trading Days prior to the conversion date, subject to a floor price of $0.71 per share. Conversion is subject to a beneficial ownership limitation of 4.99%. From June 3, 2026 to June 30, 2026, the Company raised aggregate proceeds of $4,706,304 in private placements from accredited investors in exchange for convertible notes in the aggregate principal amount of $5,882,880, representing a 20% original issue discount. The convertible notes were issued under the Exchange Agreement and have a maturity date of two years from their respective dates of issuance.

4. August 2025 Amended Note

In January and February 2026, additional notes in the aggregate principal amount of $4,687 thousand have been issued and a total amount of $3,750 thousand was received in cash during 2026.

NOTE 28 – EVENTS AFTER THE REPORTING DATE (Cont.)

5. Consulting Agreements

In February 2026, the Company engaged a consultant to provide marketing and capital markets services and continued strategic support. In consideration, the Company issued 33 pre-funded warrants as equity-based compensation in lieu of cash. As of the date of this Annual Report, all pre-funded warrants were converted into ordinary shares.

In February 2026, the Company engaged a consultant to provide advisory services relating to mining and resource transactions in support of the Company's strategic asset initiatives. Pursuant to the approved terms, the Company agreed to issue 100 ordinary shares upon execution of the engagement and an additional 100 ordinary shares upon successful completion of an applicable asset transaction.

6. Capital Markets and Strategic Advisory Agreement

In January 2026, the Company issued a convertible promissory note to Hybrid Financial Ltd. ("Hybrid") to formalize and satisfy outstanding accounts payable obligations of $250,000 for prior investor relations and corporate marketing services rendered. The note, dated January 21, 2026, carries a principal face value of approximately $305,000, which reflects a 7% original issue discount. The note is non-interest bearing.

7. Legal proceedings

On February 27, 2026, DC Rainier SPV LLC, the former sponsor of Mount Rainier Acquisition Corp., commenced an action against the Company and A-Labs Finance & Advisory Ltd. in the Supreme Court of the State of New York, County of New York, alleging fraud and related claims in connection with the February 2023 de-SPAC merger between Mount Rainier Acquisition Corp. and the Company's predecessor entity. The plaintiff alleges, among other things, that (i) the Company and A-Labs misrepresented the existence of approximately $50 million of purportedly "irrevocable" private investment in public equity (PIPE) financing commitments (including approximately $10 million purportedly committed by A-Labs itself) prior to the closing of the de-SPAC merger, none of which was funded, and (ii) the Company concealed misappropriation of Company funds by the Company's former Chief Executive Officer and the misuse of Company credit cards by a former controller, as well as the existence of material weaknesses in the Company's internal control over financial reporting for the years ended December 31, 2021, and 2022. The plaintiff seeks damages of not less than $5,080,027, plus interest, attorneys' fees and costs. Plaintiff has filed a motion for default judgment, which the Company plans to oppose, asserting that service has not been properly made.

On May 26, 2026, a claim was filed against Hub Cyber Security TLV Ltd for NIS 242,762 in unpaid social benefits for its employees insured by Meitav Provident Funds and Pension Ltd. The Company has since paid these social benefits and is applying to the court to remove the claim.

On March 31, 2026, a claim was filed with the municipal court in Herzliya, Israel, in the amount of NIS 173,379 by a former service provider for fees it is allegedly entitled to for its assistance to the Company in human resources matters, At this stage, the Company is assessing the claim. There is a provision for the amount of this claim.

On June 30, 2026, a notice was received by the Company regarding a claim by a former service provider, by means of a fixed-sum claim procedure before the Israeli Enforcement and Collection Authority, in the amount of NIS 83,941. At this stage, the Company is assessing the claim. There is a provision for the amount of this claim.

8. CEO and Management Changes

On March 31, 2026, Noah Hershcoviz resigned from his position as Chief Executive Officer and a member of the Board of Directors, effective immediately. Renah Persofsky, the Company's Chairperson of the Board, has taken on a greater role in HUB's management while the Company seeks a replacement for Mr. Hershcoviz. During May and June of 2026, four more of the Company's executive management departed: Shai Schiller (Head of Strategy), Nachman Geva (Chief Technology Officer), Paul Parisi (Chief Revenue Officer) and John Rogers (President of the Americas Region).

9. Julestar

In June 2026, the Company repaid $1.35 million to Julestar, in connection with the Julestar Loan Agreement dated February 4, 2025.

NOTE 28 – EVENTS AFTER THE REPORTING DATE (Cont.)

10. Acquisition of Evofem Convertible Notes and Purchase Rights; Issuance of Securities

On June 26, 2026, the Company entered into securities purchase agreements (each, a "Purchase Agreement" and, collectively, the "Purchase Agreements") with certain holders (each, a "Seller" and, collectively, the "Sellers") of senior subordinated convertible notes (the "Evofem Notes") of Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), and of certain purchase rights to acquire securities of Evofem (the "Purchase Rights"). Pursuant to the Purchase Agreements, the Company agreed to purchase from the Sellers all of their respective Evofem Notes and Purchase Rights, free and clear of liens, in exchange solely for the issuance of equity securities of the Company as described below.

The Evofem Notes acquired by the Company consist of Evofem's senior subordinated convertible notes governed by a common form of note (the "SSN Notes" and the "Aditxt Notes"), comprising the exchanged senior subordinated convertible notes originally issued between December 2022 and September 2023 and restructured effective December 1, 2023 (maturing December 1, 2026), together with senior subordinated convertible notes issued in the same form maturing April 8, 2028 and June 26, 2028. The Evofem Notes are junior subordinated obligations of Evofem (subordinated in right of cash payment to Evofem's senior secured notes and other senior debt obligations of Evofem), bear interest at 8% per annum compounding monthly (payable at maturity), and are convertible, at the holder's election, into shares of Evofem common stock at a conversion price of $0.0154 per share (subject to customary adjustment for stock splits, stock dividends, recapitalizations and similar events), subject to a 4.99% or 9.99% beneficial ownership limitation. Based on the aggregate outstanding balance of the Evofem Notes acquired by the Company (approximately $5,373,556), the Evofem Notes would be convertible into approximately 348,932,233 shares of Evofem common stock, without factoring in the beneficial ownership limitation. The Purchase Rights acquired by the Company are exercisable for Evofem common stock at the same $0.0154 per share price and, based on the aggregate amount of the Purchase Rights acquired (approximately $10,153,890), would be exercisable into approximately 659,343,507 shares of Evofem common stock. In the aggregate, the Evofem Notes and Purchase Rights acquired by the Company would be convertible into, and exercisable for, approximately 1,008,275,740 shares of Evofem common stock (in each case before giving effect to any beneficial-ownership limitations and Evofem's available authorized common stock), which if fully converted and exercised, will give the Company an 88% ownership of Evofem based on the current outstanding shares (or 14% on a fully diluted basis, assuming full issuance of all potential shares issuable for all convertible instruments outstanding).

The aggregate purchase price payable by the Company for the Evofem Notes and Purchase Rights was approximately $49,331,891 (the "Purchase Price"), payable solely in ordinary shares of the Company, no par value, and/or pre-funded warrants to purchase ordinary shares (the "Pre-Funded Warrants" and, together with the ordinary shares issued as consideration, the "Consideration Shares"), and not in cash. The number of Consideration Shares issuable to each Seller is equal to such Seller's portion of the Purchase Price divided by $1.560 per share, the closing price of the Ordinary Shares on the Nasdaq Stock Market on June 24, 2026. As aggregate consideration under the Purchase Agreements, the Company issued 31,623,000 Consideration Shares (including the ordinary shares issuable upon exercise of the Pre-Funded Warrants).

Pursuant to the Purchase Agreements, the Consideration Shares were issued as ordinary shares except to the extent that such issuance would cause a Seller, together with its affiliates and any persons acting in concert with it, to beneficially own or hold in excess of 4.99% of the Company's outstanding ordinary shares after giving effect to the issuance (the "Beneficial Ownership Limitation"), in which case the portion that would otherwise exceed the Beneficial Ownership Limitation was issued in the form of Pre-Funded Warrants. Accordingly, at the closing the Company issued an aggregate of 1,794,901 Ordinary Shares and issued Pre-Funded Warrants exercisable for an aggregate of 29,828,099 Ordinary Shares. The number of ordinary shares issued to any individual Seller was limited so that such Seller would not exceed the Beneficial Ownership Limitation (a maximum of 225,417 Ordinary Shares per Seller, based on 4,291,960 Ordinary Shares outstanding immediately prior to the issuance), with the balance of such Seller's Consideration Shares issued in the form of Pre-Funded Warrants. Certain Sellers whose existing beneficial ownership already equaled or exceeded 4.99% received all of their Consideration Shares in the form of Pre-Funded Warrants.

Each Pre-Funded Warrant has an exercise price of $0.001 per Ordinary Share, may be exercised on a cash or cashless basis, and is not exercisable to the extent the holder would exceed the Beneficial Ownership Limitation.

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 66,666,666 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 Equiniti Trust Company, LLC (formerly, 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

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 68,856 ordinary shares at an exercise price of $203.00 per whole share (following the reverse share splits that we effected immediately prior to the closing, in December 2023 and in March 2025). The pre-SPAC public warrants were scheduled to expire on August 22, 2025. To allow additional time for the pre-SPAC public warrants to be exercised and to potentially generate future cash proceeds to the Company, on August 11, 2025, the Board of Directors of Company decided to extend the expiration date of the pre-SPAC public warrants to 5 p.m. Eastern Time on August 22, 2027. 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 16,043,785 warrants, 15,507,801 of which were issued in exchange for the public warrants of Mount Rainier Acquisition Corp., a Delaware corporation ("RNER") (the "SPAC public warrants") and 535,984 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 116,308 ordinary shares at an exercise price of $1,279.00 per whole share (following the reverse share splits that we effected immediately prior to the closing, in December 2023 and in March 2025). 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 warrant holders 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 NIS 744.12 (approximately $220.00) per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30 day redemption period") to each warrant holder; and
- if, and only if, the reported last sale price of our ordinary shares equals or exceeds $1,800.00 per share (following the reverse share splits that we effected immediately prior to the closing, in December 2023 and in March 2025, 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 warrant holders.

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 ordinary shares equal to the quotient obtained by dividing (x) the product of the number of ordinary shares 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 ordinary shares 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 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 ordinary shares at the time the warrants are called for redemption, HUB'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 Equiniti Trust Company, LLC.

Exhibit 4.78

EXECUTION VERSION

AMENDMENT NO. 1 TO SECURITIES PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO SECURITIES PURCHASE AGREEMENT (this "**Amendment**") is dated as of October 15, 2025, by and among Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the "**Company**") and the undersigned (the "**Investor**"), and amends that certain Securities Purchase Agreement, dated as of August 27, 2025 (the "**Securities Purchase Agreement**"), by and among the Company and each of the investors listed on the Schedule of Buyers attached thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

WHEREAS, the Company and the Investor desire to amend certain provisions of the Securities Purchase Agreement pursuant to Section 9(e) thereof.

WHEREAS, pursuant to Section 9(e) of the Securities Purchase Agreement, the Company and the Required Holder may amend the terms of the Securities Purchase Agreement, which amendment shall be binding on all Buyers and holders of Securities.

NOW, THEREFORE, in consideration of the covenants and agreements contained therein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor, intending to be legally bound, hereto agree as follows:

1. Amendments. As of the Effective Time (as defined below):

(a) The reference to "$20,000,000" in Recital B shall be replaced with "35,000,000".

(b) Each reference to "Lead Buyer" in Recital D, Section 1, Section 6(b) and Section 7(b) of the Securities Purchase Agreement shall be replaced with "Lead Buyer or its designees".

(c) The definition of "Transaction Documents" in the Securities Purchase Agreement is hereby amended to include this Amendment and the Joinder (as defined below).

(d) The form of Additional Note shall be amended and restated in the form attached hereto as **Exhibit B**.

2. New Buyers; Joinder. As of the Effective Time, a certain investors desire to become a "Buyer" under the Securities Purchase Agreement (each, a "**New Buyer**") with all of the rights and obligations of a Buyer under the Securities Purchase Agreement and the other Transaction Documents by executing and delivering to the Company a joinder substantially in the form attached hereto as **Exhibit A** (the "**Joinder**") and a signature page to each of the Securities Purchase Agreement and Registration Rights Agreement. Effective as of the Effective Time, the Investor hereby consents to the amendment to each of the Securities Purchase Agreement and the Registration Rights Agreement to attach the signature page of the New Buyers thereto.

3. Designation; Satisfaction and Cancellation of Agile Indebtedness. In accordance with the Securities Purchase Agreement, as amended hereby, the Investor hereby makes the designations with respect to such Additional Notes and Additional Warrants to be bought at an Additional Closing to occur on or about October 7, 2025, in accordance with the Schedule of Additional Buyers attached as **Schedule I** attached hereto. With respect to the approximately $2,750,000 of indebtedness owed by the Company to Agile Capital Funding LLC ("**Agile**"), (i) $750,000 will be applied and credited against the Additional Purchase Price of Agile with respect to such Additional Closing, and (ii) an amount of $1,500,000 outstanding thereunder shall be cancelled in exchange for the payment by the Company of $1,500,000 of the gross proceeds of such Additional Closing (to be paid directly by such other participating Buyers to Agile (or its designee) in the Additional Flow of Funds with respect thereto).

4. Acknowledgement; Ratification of Obligations. The Company and the Investor hereby confirm and agree that, except as set forth in Sections 1 and 2 above, (i) the Securities Purchase Agreement and each other Transaction Documents are, and shall continue to be, in full force and effect, constitute legal and binding obligations of all parties thereto in accordance with its terms and are hereby ratified and confirmed in all respects, and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as an amendment of any right, power or remedy of the Company or the Investor under any Transaction Document, nor constitute an amendment of any provision of any Transaction Document. This Amendment forms an integral and inseparable part of the Securities Purchase Agreement.

5. No Material Non-Public Information. Nothing in this Amendment constitutes material non-public information and the Company has previously disclosed all material, non-public information (if any) provided to the Investor by the Company or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by hereby. The Company acknowledges and agrees that no confidentiality or similar obligations under any agreement, whether written or oral, between the Company, or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Investor or any of its affiliates on the other hand, relating to the transactions contemplated hereby, exists as of the date hereof. Notwithstanding anything contained in this Amendment to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that the Investor shall not have (unless expressly agreed to by the Investor after the date hereof in a written definitive and binding agreement executed by the Company and the Investor), any duty of confidentiality with respect to any material, non-public information regarding the Company.

6. Independent Nature of Investor's Obligations and Rights. The obligations of the Investor under this Amendment or any other Transaction Document are several and not joint with the obligations of any other Buyer, and the Investor shall not be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by the Investor pursuant hereto, shall be deemed to constitute the Investor and other Buyers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investor and other Buyers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Amendment, or any other Transaction Document and the Company acknowledges that the Investor and the other Buyers are not acting in concert or as a group with respect to such obligations or the transactions contemplated by this Amendment, any other amendment and any other Transaction Document. The Company and the Investor confirm that the Investor has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. The Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Amendment, any other amendment or out of any other Transaction Documents, and it shall not be necessary for any other Buyers to be joined as an additional party in any proceeding for such purpose.

7. Effectiveness. Section 1 of this Amendment shall become effective upon the later of (x) the due execution and delivery by the Company and the Investor of this Amendment and (y) the due execution and delivery by the New Buyers and the Company of the Joinder (the "**Effective Time**").

8. References. As of the Effective Time, all references to the "Agreement" (including "hereof," "herein," "hereunder," "hereby" and "this Agreement") in the Securities Purchase Agreement and the other Transaction Documents shall refer to the Securities Purchase Agreement as amended by this Amendment. Notwithstanding the foregoing, references to the date of the Securities Purchase Agreement (as amended hereby) and references in the Securities Purchase Agreement to "the date hereof," "the date of this Agreement" and terms of similar import shall in all instances continue to refer to August 27, 2025.

9. Fees. The Company shall promptly reimburse Kelley Drye & Warren, LLP (counsel to the Holder), on demand, a nonaccountable amount of $25,000 for the legal fees and expenses in connection with the preparation and negotiation of this Amendment and the transactions contemplated hereby.

10. Miscellaneous. Section 9 of the Securities Purchase Agreement are hereby incorporated by reference herein, *mutatis mutandis*.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have caused their respective signature page to this Amendment to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD

By:	/s/ Noah Hershcoviz		/s/ Lior Davidsohn
	Name:	Noah Hershcoviz	Lior Davidsohn
	Title:	CEO	Interim CFO

IN WITNESS WHEREOF, the parties hereto have caused their respective signature page to this Amendment to be duly executed as of the date first written above.

INVESTOR:

KEYSTONE CAPITAL PARTNERS, LLC

By: /s/ Fredric Zaino
Name: Fredric Zaino
Title: CIO

EXHIBIT A

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the "**Joinder**") dated as of October 7, 2025 (the "**Effective Date**"), between Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the "**Company**") and [NEW BUYER] (the "**New Buyer**").

1. Reference is made to (x) that certain Securities Purchase Agreement, dated as of August 27, 2025 (the "**Securities Purchase Agreement**"), by and among the Company and the investors listed on the signature pages thereto and (y) Amendment No. 1 to the Securities Purchase Agreement, dated October 7, 2025 (the "**Amendment No. 1**", and the Securities Purchase Agreement, as amended, the "**Amended Securities Purchase Agreement**").

2. The Company hereby agrees that, effective upon the Effective Date (as defined in Amendment No. 1), the New Buyer (i) shall be deemed a "Buyer" under the Amended Securities Purchase Agreement, as such term is defined therein, (ii) shall be deemed a "Buyer" under the Registration Rights Agreement (as defined in the Amended Securities Purchase Agreement), (iii) shall be deemed a "Holder" under the terms of the Irrevocable Transfer Agent Instructions, (iv) shall be entitled to all of the applicable rights and bound by all of the applicable obligations of each of the Transaction Documents (as defined in the Amended Securities Purchase Agreement), (v) represents and warrants that the representations and warranties of the Company contained in the Amended Securities Purchase Agreement are true and correct as if made by the Company to the New Buyer on the date hereof and (vi) authorizes any officer or other authorized representative of the Company to attach the signature pages to the Amended Securities Purchase Agreement and the Registration Rights Agreement, attached hereto as **Exhibit A** and **Exhibit B,** respectively, to the Amended Securities Purchase Agreement and the Registration Rights Agreement, as applicable, and, in accordance with Section 1.(a) of Amendment No. 1, to include the New Buyer to the Schedule of Buyers under the Amended Securities Purchase Agreement.

3. The New Buyer (i) agrees that it will perform in accordance with their terms all of the agreements and obligations which by the terms of each of the Amended Securities Purchase Agreement and the Registration Rights Agreement are required to be performed by it as a Buyer and, as of the Effective Date, the terms of each of the Amended Securities Purchase Agreement and the Registration Rights Agreement shall be the binding obligations of the New Buyer, and (ii) represents and warrants that the representations and warranties of the Buyer contained in the Amended Securities Purchase Agreement are true and correct as if made by the New Buyer on the date hereof.

4. Each of the parties hereto represent and warrant that it is duly authorized to enter into this Joinder.

5. Section 9 of the Amended Securities Purchase Agreement is hereby incorporated by reference herein, *mutatis mutandis*.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HUB CYBER SECURITY LTD

By: _____

Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to be executed by their respective officers thereunto duly authorized, as of the date first above written.

[NEW BUYER]

By: _____
Name:
Title:

EXHIBIT A

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

BUYER:

[NEW BUYER]

By: _____
Name:
Title:

EXHIBIT B

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYER:

[NEW BUYER]

By: _____

Name:
Title:

EXHIBIT B

[Insert Form of Additional Note]

FORM OF SUBORDINATED CONVERTIBLE NOTE

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE 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), 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 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. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 3(c)(iii) AND 21(a) HEREOF. THE PRINCIPAL 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 3(c)(iii) OF THIS NOTE.

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID"). PURSUANT TO TREASURY REGULATION §1.1275-3(B)(1), TUVIA GROSSMAN, A REPRESENTATIVE OF THE COMPANY HEREOF WILL, BEGINNING TEN DAYS AFTER THE ISSUANCE DATE OF THIS NOTE, PROMPTLY MAKE AVAILABLE TO THE HOLDER UPON REQUEST THE INFORMATION DESCRIBED IN TREASURY REGULATION §1.1275-3(B)(1)(I). MR. GROSSMAN MAY BE REACHED AT TELEPHONE NUMBER +972-3-791-3200.

HUB CYBER SECURITY LTD.

SUBORDINATED CONVERTIBLE NOTE

Issuance Date: October [ ], 2025 (the "**Issuance Date**")

Original Principal Amount: U.S. $[●]

FOR VALUE RECEIVED, Hub Cyber Security Ltd, a company incorporated under the laws of the State of Israel (the "**Company**"), hereby promises to pay to the order of _____ or its registered assigns ("**Holder**") the amount set forth above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "**Principal**") when due, whether upon the Maturity Date, on any Installment Date with respect to the Installment Amount due on such Installment Date (each as defined below) or upon acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and, upon the occurrence and continuance of an Event of Default, to pay interest ("**Interest**") on any outstanding Principal at the applicable Default Rate (as defined below) as the same becomes due and payable, whether upon the Maturity Date or upon acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof). This Subordinated Convertible Note (including all Subordinated Convertible Notes issued in exchange, transfer or replacement hereof, this "**Note**") is one of an issue of Subordinated Convertible Notes issued pursuant to the Securities Purchase Agreement, dated as of August 27, 2025 (the "**Subscription Date**"), by and among the Company and the investors (including any other investors that join such agreement, collectively, the "**Buyers**") referred to therein, as amended from time to time (collectively, the "**Notes**", and such other Subordinated Convertible Notes, the "**Other Notes**"). Certain capitalized terms used herein are defined in Section 34.

1. PAYMENTS OF PRINCIPAL. On each Installment Date, the Company shall pay to the Holder an amount equal to the Installment Amount due on such Installment Date in accordance with Section 8. On the Maturity Date, the Company shall pay to the Holder an amount in cash representing all outstanding Principal, accrued and unpaid Interest and accrued and unpaid Late Charges (as defined in Section 27(b)) on such Principal and Interest. Other than as specifically permitted by this Note, the Company may not prepay any portion of the outstanding Principal, accrued and unpaid Interest or accrued and unpaid Late Charges on Principal and Interest, if any.

2. INTEREST; DEFAULT RATE. No Interest shall accrue hereunder unless and until an Event of Default (as defined below) has occurred. From and after the occurrence and during the continuance of any Event of Default, Interest on the outstanding Principal shall accrue hereunder at the Default Rate and shall be computed on the basis of a 360-day year and twelve 30-day months, shall compound each calendar month and shall be payable in arrears on the first Trading Day of each Fiscal Quarter in which Interest accrues hereunder (each, an "**Interest Date**"). Accrued and unpaid Interest, if any, shall also be payable by way of inclusion of such Interest in the Conversion Amount (as defined below) on each Conversion Date (as defined below) in accordance with Section 3(b)(i) or upon any redemption in accordance with Section 14 or any required payment upon any Bankruptcy Event of Default (as defined below). In the event that such Event of Default is subsequently cured (and no other Event of Default then exists (including, without limitation, for the Company's failure to pay such Interest at the Default Rate on the applicable Interest Date)), Interest shall cease to accrue hereunder as of the calendar day immediately following the date of such cure; provided that the Interest as calculated and unpaid during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure of such Event of Default.

3. CONVERSION OF NOTES. At any time after the Issuance Date, this Note shall be convertible into validly issued, fully paid and non-assessable Ordinary Shares (as defined below), on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(d), at any time or times on or after the Issuance Date, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into validly issued, fully paid and non-assessable Ordinary Shares in accordance with Section 3(c), at the Conversion Rate (as defined below). The Company shall not issue any fraction of an Ordinary Share upon any conversion. If the issuance would result in the issuance of a fraction of an Ordinary Share, the Company shall round such fraction of a Ordinary Share up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of Ordinary Shares upon conversion of any Conversion Amount.

(b) Conversion Rate. The number of Ordinary Shares issuable upon conversion of any Conversion Amount pursuant to Section 3(a) shall be determined by dividing (x) such Conversion Amount by (y) the Conversion Price (the "**Conversion Rate**").

(i) "**Conversion Amount**" means the sum of (A) the portion of the Principal of this Note to be converted, redeemed or otherwise with respect to which this determination is being made, (B) accrued and unpaid Interest with respect to such portion of the Principal of this Note, (C) accrued and unpaid Late Charges with respect to such portion of such Principal of this Note and such Interest, and (D) any other unpaid amounts pursuant to the Transaction Documents (as defined in the Securities Purchase Agreement), if any.

(ii) "**Conversion Price**" means, as of any Conversion Date or other date of determination, $2.88, subject to adjustment as provided herein (including, without limitation, pursuant to Sections 3(e), 7 and 8 below).

(c) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into Ordinary Shares on any date (a "**Conversion Date**"), the Holder shall deliver (whether via electronic mail 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 I (each, a "**Conversion Notice**") to the Company. If required by Section 3(c)(iii), within one (1) Trading Day following a conversion of this Note as aforesaid, the Holder shall surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking with respect to this Note in the case of its loss, theft or destruction as contemplated by Section 21(b)). On the date of receipt of a Conversion Notice, the Company shall transmit by electronic mail an acknowledgment, in the form attached hereto as Exhibit II, of confirmation of receipt of such Conversion Notice and representation as to whether such Ordinary Shares may then be resold pursuant to Rule 144 or an effective and available registration statement (each, an "**Acknowledgement**") to the 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 first (1st) Trading Day following the date on which the Company has received a Conversion Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade initiated on the applicable Conversion Date of such Ordinary Shares issuable pursuant to such Conversion Notice) (the "**Share Delivery Deadline**"), the Company shall (1) provided that the Transfer Agent is participating in The Depository Trust Company's ("**DTC**") Fast Automated Securities Transfer Program ("**FAST**"), credit such aggregate number of Ordinary Shares to which the Holder shall be 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 (2) if the Transfer Agent is not participating in FAST, upon the request of the Holder, issue and deliver (via reputable overnight courier) to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of Ordinary Shares to which the Holder shall be entitled pursuant to such conversion. If this Note is physically surrendered for conversion pursuant to Section 3(c)(iii) and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall as soon as practicable and in no event later than one (1) Business Day after receipt of this Note and at its own expense, issue and deliver to the Holder (or its designee) a new Note (in accordance with Section 21(c)) representing the outstanding Principal not converted. The Person or Persons entitled to receive the Ordinary Shares (the "**Conversion Shares**") issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such Conversion Shares on the Conversion Date; provided, that the Holder shall be deemed to have waived any voting rights of any such Conversion Shares that may arise during the period commencing on such Conversion Date, through and including, such applicable Share Delivery Deadline (each, a "**Conversion Period**"), as necessary, such that the aggregate voting rights of any Ordinary Shares (including such Conversion Shares) beneficially owned by the Holder and/or any Attribution Parties, collectively, on any such applicable date of determination shall not exceed the Maximum Percentage (as defined below) as a result of any such conversion of this Note. In the event of a partial conversion of this Note pursuant hereto, the Principal amount converted shall be deducted from the Installment Amount(s) relating to the Installment Date(s) as set forth in the applicable Conversion Notice.

(ii) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline, = if the Transfer Agent is not participating in FAST, to issue and deliver to the Holder (or its designee) a certificate for the number of Ordinary Shares to which the Holder is entitled and register such Ordinary Shares on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of the Holder or the Holder's designee with DTC for such number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion of this Note (as the case may be) (a "**Conversion Failure**"), then, in addition to all other remedies available to the Holder, (1) the Company shall pay in cash to the Holder on each day after such Share Delivery Deadline that the issuance of such Ordinary Shares is not timely effected an amount equal to 1% (one percent) of the product of (A) the sum of the number of Ordinary Shares not issued to the Holder on or prior to the Share Delivery Deadline and to which the Holder is entitled, multiplied by (B) any trading price of the Ordinary Shares selected by the Holder in writing as in effect at any time during the period beginning on the applicable Conversion Date and ending on the applicable Share Delivery Deadline and (2) the Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any portion of this Note that has not been converted pursuant to such Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 3(c)(ii) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Deadline if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver to the Holder (or its designee) a certificate and register such Ordinary Shares on the Company's share register or, if the Transfer Agent is participating in FAST, the Transfer Agent shall fail to credit the balance account of the Holder or the Holder's designee with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder or pursuant to the Company's obligation pursuant to clause (II) below, and if on or after such Share Delivery Deadline the Holder acquires (in an open market transaction, share loan or otherwise) Ordinary Shares corresponding to all or any portion of the number of Ordinary Shares issuable upon such conversion that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Conversion Failure (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within one (1) Trading Day after receipt of the Holder's request and in the Holder's discretion, either: (I) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, share loan costs and other out-of-pocket expenses, if any) for the Ordinary Shares so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such Ordinary Shares) or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) (and to issue such Ordinary Shares) shall terminate, or (II) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Ordinary Shares or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of Ordinary Shares multiplied by (y) the lowest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause (II) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Ordinary Shares (or to electronically deliver such Ordinary Shares) upon the conversion of this Note as required pursuant to the terms hereof.

(iii) Registration; Book-Entry. The Company shall maintain a register (the "**Register**") for the recordation of the names and addresses of the holders of each Note and the principal amount of the Notes held by such holders (the "**Registered Notes**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Notes shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Principal and Interest hereunder) notwithstanding notice to the contrary. A Registered Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Registered Note by the holder thereof, the Company shall record the information contained therein in the Register and issue one or more new Registered Notes in the same aggregate principal amount as the principal amount of the surrendered Registered Note to the designated assignee or transferee pursuant to Section 21, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Registered Note within two (2) Business Days of such a request, then the Register shall be automatically deemed updated to reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section 3, following conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted (in which event this Note shall be delivered to the Company following conversion thereof as contemplated by Section 3(c)(i)) or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion. If the Company does not update the Register to record such Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) within two (2) Business Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence.

(iv) Pro Rata Conversion; Disputes. In the event that the Company receives a Conversion Notice from more than one holder of Notes for the same Conversion Date and the Company can convert some, but not all, of such portions of the Notes submitted for conversion, the Company, subject to Section3(d), shall convert from each holder of Notes electing to have Notes converted on such date a pro rata amount of such holder's portion of its Notes submitted for conversion based on the principal amount of Notes submitted for conversion on such date by such holder relative to the aggregate principal amount of all Notes submitted for conversion on such date. In the event of a dispute as to the number of Ordinary Shares issuable to the Holder in connection with a conversion of this Note, the Company shall issue to the Holder the number of Ordinary Shares not in dispute and resolve such dispute in accordance with Section 26.

(d) Limitations on Conversions. The Company shall not effect the conversion of any portion of this Note, and the Holder shall not have the right to convert any portion of this Note pursuant to the terms and conditions of this Note and any such conversion shall be null and void and treated as if never made, to the extent that after giving effect to such conversion, the Holder together with the other Attribution Parties collectively would "beneficially own" or "hold" (as defined for purposes of Section 13(d) of the 1934 Act) or "hold" (as defined for purposes the Israeli Companies Law, 5759-1999 (the **"Companies Law**")), as applicable, in excess of 4.99% (the "**Maximum Percentage**") of the Ordinary Shares outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of Ordinary Shares beneficially owned or held by the Holder and the other Attribution Parties shall include the number of Ordinary Shares held by the Holder and all other Attribution Parties plus the number of Ordinary Shares issuable upon conversion of this Note with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon (A) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants) beneficially owned or held by the Holder or any other Attribution Party subject to a limitation on conversion analogous to the limitation contained in this Section 3(d). For purposes of this Section 3(d), beneficial ownership and holdings shall be calculated in accordance with Section 13(d) of the 1934 Act and/or holdings shall be calculated in accordance with the Companies Law, as applicable (with, as applicable, such higher result governing any determination hereunder). For purposes of determining the number of outstanding Ordinary Shares the Holder may acquire upon the conversion of this Note without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding Ordinary Shares as reflected in (x) the Company's most recent Annual Report on Form 20-F, Report of Foreign Issuer on Form 6-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent, if any, setting forth the number of Ordinary Shares outstanding (the "**Reported Outstanding Share Number**"). If the Company receives a Conversion Notice from the Holder at a time when the actual number of outstanding Ordinary Shares is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of Ordinary Shares then outstanding and, to the extent that such Conversion Notice would otherwise cause the Holder's beneficial ownership or holdings, as applicable, as determined pursuant to this Section 3(d), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Ordinary Shares to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion of securities of the Company, including this Note, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of Ordinary Shares to the Holder upon conversion of this Note results in the Holder and the other Attribution Parties being deemed to beneficially own or hold, in the aggregate, more than the Maximum Percentage of the number of outstanding Ordinary Shares (as determined in accordance with this Section 3(d)), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall have no rights with respect to the Excess Shares (including, without limitation, no power to vote or transfer the Excess Shares). Upon delivery of a written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company and until the approval of the Company's shareholders has been obtained therefor in accordance with the Companies Law and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of Notes that is not an Attribution Party of the Holder. For purposes of clarity, the Ordinary Shares issuable pursuant to the terms of this Note in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to convert 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. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3(d) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 3(d) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be amended, modified or waived and shall apply to a successor holder of this Note.

(e) Right of Alternate Conversion.

(i) General.

(1) Alternate Optional Conversion. Subject to Section 3(d), at any time, at the option of the Holder, the Holder may convert (each, an "**Alternate Optional Conversion**", and the date of such Alternate Optional Conversion, an "**Alternate Optional Conversion Date**") all, or any part, of this Note into Ordinary Shares (such portion of the Conversion Amount subject to such Alternate Optional Conversion, the "**Alternate Optional Conversion Amount**") at a conversion rate (the "**Alternate Optional Conversion Rate**") equal to the quotient of (x) the Conversion Amount divided by (y) the Alternate Optional Conversion Price.

(2) Subject to Section 3(d), at any time during an Event of Default Redemption Right Period (as defined below) (regardless of whether such Event of Default has been cured, or if the Company has delivered an Event of Default Notice to the Holder or if the Holder has delivered an Event of Default Redemption Notice to the Company or otherwise notified the Company that an Event of Default has occurred), the Holder may, at the Holder's option, convert (each, an "**Alternate Event of Default Conversion**" and together with each Alternate Optional Conversion, each, an "**Alternate Conversion**", and the date of such Alternate Event of Default Conversion, each, an "**Alternate Event of Default Conversion Date**", and together with each Alternate Optional Conversion Date, each, an "**Alternate Conversion Date**") all, or any part of, the Conversion Amount (such portion of the Conversion Amount subject to such Alternate Conversion, the "**Alternate Event of Default Conversion Amount**" and together with each Alternate Optional Conversion Amount, each, an "**Alternate Conversion Amount**") into Ordinary Shares at a conversion rate (the "**Alternate Event of Default Conversion Rate**", and together with the Alternate Optional Conversion Rate, each an "**Alternate Conversion Rate**") equal to the quotient of (x) the Redemption Premium of the Conversion Amount divided by (y) the Alternate Event of Default Conversion Price (and together with the Alternate Optional Conversion Price, each an "**Alternate Conversion Price**").

(ii) Mechanics of Alternate Conversion. On any Alternate Conversion Date, the Holder may voluntarily convert any Alternate Conversion Amount pursuant to Section 3(c) at the applicable Alternate Conversion Rate (for the avoidance of doubt, with the applicable "Alternate Conversion Price" replacing "Conversion Price" for all purposes hereunder with respect to such Alternate Conversion and, solely with respect to the calculation of the number of Ordinary Shares issuable upon conversion of any Conversion Amount in an Alternate Event of Default Conversion, with "Redemption Premium of the Conversion Amount" replacing "Conversion Amount" in clause (x) of the definition of Conversion Rate above with respect to such Alternate Conversion), by designating in the Conversion Notice delivered pursuant to this Section 3(e) of this Note that the Holder is electing to use the applicable Alternate Conversion Price for such conversion; provided that in the event of the Conversion Floor Price Condition, on the applicable Alternate Conversion Date the Company shall also deliver to the Holder the applicable Alternate Conversion Floor Amount. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 3(d), until the Company delivers Ordinary Shares representing the applicable Alternate Conversion Amount to the Holder, such Alternate Conversion Amount may be converted by the Holder into Ordinary Shares pursuant to Section 3(c) without regard to this Section 3(e). In the event of an Alternate Conversion pursuant to this Section 3(e) of all, or any portion, of this Note, the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 3(e), together with the applicable Alternate Conversion Price used in such Alternate Conversion, as applicable, is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**" and each of the events in clauses (ix), (x) and (xi) shall constitute a "**Bankruptcy Event of Default**":

(i) the failure of the applicable Registration Statement to be filed with the SEC on or prior to the date that is five (5) Business Days after the applicable Filing Deadline (as defined in the Registration Rights Agreement) or the failure of the applicable Registration Statement to be declared effective by the SEC on or prior to the date that is five (5) Business Days after the applicable Effectiveness Deadline (as defined in the Registration Rights Agreement);

(ii) while the applicable Registration Statement is required to be maintained effective pursuant to the terms of the Registration Rights Agreement, the effectiveness of the applicable Registration Statement lapses for any reason (including, without limitation, the issuance of a stop order) or such Registration Statement (or the prospectus contained therein) is unavailable to any holder of Registrable Securities for sale of all of such holder's Registrable Securities in accordance with the terms of the Registration Rights Agreement, and such lapse or unavailability continues for a period of five (5) consecutive Business Days or for more than an aggregate of ten (10) Business Days in any 365-day period (excluding days during an Allowable Grace Period (as defined in the Registration Rights Agreement));

(iii) the suspension from trading or the failure of the Ordinary Shares to be trading or listed (as applicable) on an Eligible Market for a period of five (5) consecutive Trading Days;

(iv) the Company's (A) failure to cure a Conversion Failure or a Delivery Failure (as defined in the Warrants) by delivery of the required number of Ordinary Shares within five (5) Trading Days after the applicable Conversion Date or exercise date (as the case may be) (B) notice, written or oral, to any holder of the Notes or Warrants, 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 Notes into Ordinary Shares that is requested in accordance with the provisions of the Notes, other than pursuant to Section 3(d), or a request for exercise of any Warrants into Ordinary Shares that is requested in accordance with the provisions of the Warrants;

(v) except to the extent the Company is in compliance with Section 13(b) below, at any time following the tenth (10^{th}) consecutive day that the Holder's Authorized Share Allocation (as defined in Section 13(a) below) is less than the sum of (A) the number of Ordinary Shares that the Holder would be entitled to receive upon a conversion of the full Conversion Amount of this Note (without regard to any limitations on conversion set forth in Section 3(d) or otherwise) at the applicable Alternate Conversion Price then in effect and (B) the number of Ordinary Shares that the Holder would be entitled to receive upon exercise in full of the Holder's Warrants (without regard to any limitations on exercise set forth in the Warrants);

(vi) the Company's or any Subsidiary's failure to pay to the Holder any amount of Principal, Interest, Late Charges or other amounts when and as due under this Note (including, without limitation, the Company's or any Subsidiary's failure to pay any redemption payments or amounts hereunder) or any other Transaction Document or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, except, in the case of a failure to pay Interest and Late Charges when and as due, in which case only if such failure remains uncured for a period of at least five (5) Trading Days;

(vii) 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 any Securities (as defined in the Securities Purchase Agreement) acquired by the Holder under the Securities Purchase Agreement (including this Note) as and when required by such Securities or the Securities Purchase Agreement, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for at least five (5) Business Days;

(viii) the occurrence of any acceleration prior to maturity or failure to pay when due (after giving effect to any applicable grace periods and waivers), as applicable, of at least an aggregate of $500,000 of Indebtedness (as defined in the Securities Purchase Agreement) of the Company or any of its Subsidiaries, other than with respect to any Other Notes;

(ix) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Significant Subsidiary and, if instituted against the Company or any Significant Subsidiary by a third party, shall not be dismissed within thirty (30) days of their initiation;

(x) the commencement by the Company or any Significant 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 Significant 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 Significant 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 Significant Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;

(xi) the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Company or any Significant Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (ii) a decree, order, judgment or other similar document adjudging the Company or any Significant 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 Significant Subsidiary under any applicable federal, state or foreign law or (iii) 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 Significant 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 thirty (30) consecutive days;

(xii) a final judgment or judgments for the payment of money aggregating in excess of $500,000 are rendered against the Company and/or any of its Subsidiaries and which judgments are not, within thirty (30) days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay; provided, however, any judgment which is covered by insurance or an indemnity from a credit worthy party shall not be included in calculating the $500,000 amount set forth above so long as the Company provides the Holder a written statement from such insurer or indemnity provider (which written statement shall be reasonably satisfactory to the Holder) to the effect that such judgment is covered by insurance or an indemnity and the Company or such Subsidiary (as the case may be) will receive the proceeds of such insurance or indemnity within thirty (30) days of the issuance of such judgment;

(xiii) the Company and/or any Subsidiary, individually or in the aggregate, fails to pay, when due, or within any applicable grace period, any payment with respect to any Indebtedness in excess of $500,000 due to any third party (other than, with respect to unsecured Indebtedness only, payments contested by the Company and/or such Subsidiary (as the case may be) in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with IFRS) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of $500,000, which breach or violation has resulted in acceleration prior to maturity or failure to pay when due (after giving effect to any applicable grace periods and waivers) of the amounts due thereunder;

(xiv) other than as specifically set forth in another clause of this Section 4(a), the Company or any Subsidiary breaches any representation or warranty, in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Transaction Document, except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of two (2) consecutive Trading Days;

(xv) a false or inaccurate certification (including a false or inaccurate deemed certification) by the Company that either (A) the Equity Conditions are satisfied, (B) there has been no Equity Conditions Failure, or (C) as to whether any Event of Default has occurred;

(xvi) any breach or failure in any respect by the Company or any Subsidiary to comply with any provision of Section 16 of this Note;

(xvii) at any time after January 3, 2026, the authorized Ordinary Shares of the Company fails to equal or exceed 250 million Ordinary Shares (as adjusted for any share split, share combination, recapitalization or similar event).

(xviii) any Material Adverse Effect (as defined in the Securities Purchase Agreement) occurs;

(xix) any Event of Default (as defined in the Other Notes) occurs with respect to any Other Notes.

(b) Notice of an Event of Default; Redemption Right. Upon the occurrence of an Event of Default with respect to this Note or any Other Note, the Company shall within two (2) Business Days deliver written notice thereof via electronic mail and overnight courier (with next day delivery specified) (an "**Event of Default Notice**") to the Holder. At any time after the earlier of the Holder's receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default (such earlier date, the "**Event of Default Right Commencement Date**") and ending (such ending date, the "**Event of Default Right Expiration Date**", and each such period, an "**Event of Default Redemption Right Period**") on the tenth (10^{th}) Trading Day after the later of (x) the date such Event of Default is cured and (y) the Holder's receipt of an Event of Default Notice that includes (I) a reasonable description of the applicable Event of Default, (II) a certification as to whether, in the opinion of the Company, such Event of Default is capable of being cured and, if applicable, a reasonable description of any existing plans of the Company to cure such Event of Default and (III) a certification as to the date the Event of Default occurred and, if cured on or prior to the date of such Event of Default Notice, the applicable Event of Default Right Expiration Date, the Holder may require the Company to redeem (regardless of whether such Event of Default has been cured on or prior to the Event of Default Right Expiration Date) all or any portion of this Note by delivering written notice thereof (the "**Event of Default Redemption Notice**") to the Company, which Event of Default Redemption Notice shall indicate the portion of this Note the Holder is electing to redeem. Each portion of this Note subject to redemption by the Company pursuant to this Section 4(b) shall be redeemed by the Company at a price equal to the greater of (i) the product of (A) the Conversion Amount to be redeemed multiplied by (B) the Redemption Premium and (ii) the product of (X) the Conversion Rate with respect to the Conversion Amount in effect at such time as the Holder delivers an Event of Default Redemption Notice multiplied by (Y) the product of (1) the Redemption Premium multiplied by (2) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date immediately preceding such Event of Default and ending on the date the Company makes the entire payment required to be made under this Section 4(b) (the "**Event of Default Redemption Price**"). Redemptions required by this Section 4(b) shall be made in accordance with the provisions of Section 14. To the extent redemptions required by this Section 4(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 3(d), until the Event of Default Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 4(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to the terms of this Note. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Event of Default Redemption Notice. In the event of the Company's redemption of any portion of this Note under this Section 4(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 4(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. Any redemption upon an Event of Default shall not constitute an election of remedies by the Holder, and all other rights and remedies of the Holder shall be preserved.

(c) Mandatory Redemption upon Bankruptcy Event of Default. Notwithstanding anything to the contrary herein, and notwithstanding any conversion that is then required or in process, upon any Bankruptcy Event of Default, whether occurring prior to or following the Maturity Date, the Company shall immediately pay to the Holder an amount in cash representing (i) all outstanding Principal, accrued and unpaid Interest and accrued and unpaid Late Charges on such Principal and Interest, multiplied by (ii) the Redemption Premium, in addition to any and all other amounts due hereunder, without the requirement for any notice or demand or other action by the Holder or any other person or entity, provided that the Holder may, in its sole discretion, waive such right to receive payment upon a Bankruptcy Event of Default, in whole or in part, and any such waiver shall not affect any other rights of the Holder hereunder, including any other rights in respect of such Bankruptcy Event of Default, any right to conversion, and any right to payment of the Event of Default Redemption Price or any other Redemption Price, as applicable.

5. RIGHTS UPON FUNDAMENTAL TRANSACTION.

(a) Assumption. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under this Note and the other Transaction Documents in accordance with the provisions of this Section 5(a) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to each holder of Notes in exchange for such Notes a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Notes, including, without limitation, having a principal amount and interest rate equal to the principal amounts then outstanding and the interest rates of the Notes held by such holder, having similar conversion rights as the Notes and having similar ranking and security to the Notes, and satisfactory to the Holder. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon conversion or redemption of this Note at any time after the consummation of such Fundamental Transaction, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 6 and 18, which shall continue to be receivable thereafter)) issuable upon the conversion or redemption of the Notes prior to such Fundamental Transaction, such publicly- traded Ordinary Shares or common equity (or their equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Note been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of this Note), as adjusted in accordance with the provisions of this Note. Notwithstanding the foregoing, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 5(a) to permit the Fundamental Transaction without the assumption of this Note. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of this Note.

(b) Notice of a Change of Control; Redemption Right. No sooner than twenty (20) Trading Days nor later than ten (10) Trading Days prior to the consummation of a Change of Control (the "**Change of Control Date**"), but not prior to the public announcement of such Change of Control, the Company shall deliver written notice thereof via electronic mail and overnight courier to the Holder (a "**Change of Control Notice**"). At any time during the period beginning after the Holder's receipt of a Change of Control Notice or the Holder becoming aware of a Change of Control if a Change of Control Notice is not delivered to the Holder in accordance with the immediately preceding sentence (as applicable) and ending on twenty (20) Trading Days after the later of (A) the date of consummation of such Change of Control or (B) the date of receipt of such Change of Control Notice or (C) the date of the announcement of such Change of Control, the Holder may require the Company to redeem all or any portion of this Note by delivering written notice thereof ("**Change of Control Redemption Notice**") to the Company, which Change of Control Redemption Notice shall indicate the Conversion Amount the Holder is electing to redeem. The portion of this Note subject to redemption pursuant to this Section 5 shall be redeemed by the Company in cash at a price equal to the greatest of (i) the product of (x) the Change of Control Redemption Premium multiplied by (y) the Conversion Amount being redeemed, (ii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient determined by dividing (I) the greatest Closing Sale Price of the Ordinary Shares during the period beginning on the date immediately preceding the earlier to occur of (1) the consummation of the applicable Change of Control and (2) the public announcement of such Change of Control and ending on the date the Holder delivers the Change of Control Redemption Notice by (II) the Conversion Price then in effect and (iii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient of (I) the aggregate cash consideration and the aggregate cash value of any non-cash consideration per Ordinary Share to be paid to the holders of the Ordinary Shares upon consummation of such Change of Control (any such non-cash consideration constituting publicly-traded securities shall be valued at the highest of the Closing Sale Price of such securities as of the Trading Day immediately prior to the consummation of such Change of Control, the Closing Sale Price of such securities on the Trading Day immediately following the public announcement of such proposed Change of Control and the Closing Sale Price of such securities on the Trading Day immediately prior to the public announcement of such proposed Change of Control) divided by (II) the Conversion Price then in effect (the "**Change of Control Redemption Price**"). Redemptions required by this Section 5 shall be made in accordance with the provisions of Section 14 and shall have priority to payments to shareholders in connection with such Change of Control. To the extent redemptions required by this Section 5(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5, but subject to Section 3(d), until the Change of Control Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 5(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to Section 3. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Change of Control Redemption Notice. In the event of the Company's redemption of any portion of this Note under this Section 5(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 5(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

6. RIGHTS UPON ISSUANCE OF PURCHASE RIGHTS AND OTHER CORPORATE EVENTS.

(a) Purchase Rights. In addition to any adjustments pursuant to Sections 7 or 18 below, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property pro rata to all or substantially all of 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 conversion of this Note (taking into account the limitation in Section 3(d) on the convertibility of this Note and assuming for such purpose that the Note was converted at the applicable Alternate Conversion Price as of the applicable record date) immediately prior to 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. Without the prior written consent of the Holder, the Company shall not issue, grant or sell Purchase Rights if it would result in the Holder receiving fewer Purchase Rights than the Holder would be entitled to receive pursuant to this Section 6(a) if the Holder had, as of the record date for such Purchase Rights, held the aggregate number of Ordinary Shares acquirable upon complete conversion of this Note (without taking into account the limitation on the convertibility of this Note under Section 3(d) above).

(b) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of Ordinary Shares are entitled to receive securities or other assets with respect to or in exchange for Ordinary Shares (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon a conversion of this Note, at the Holder's option (i) in addition to the Ordinary Shares receivable upon such conversion, such securities or other assets to which the Holder would have been entitled with respect to such Ordinary Shares had such Ordinary Shares been held by the Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of this Note) or (ii) in lieu of the Ordinary Shares otherwise receivable upon such conversion, such securities or other assets received by the holders of Ordinary Shares in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with conversion rights for the form of such consideration (as opposed to Ordinary Shares) at a conversion rate for such consideration commensurate with the Conversion Rate. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder. The provisions of this Section 6 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion or redemption of this Note.

7. RIGHTS UPON ISSUANCE OF OTHER SECURITIES.

(a) Adjustment of Conversion Price upon Issuance of Ordinary Shares. If and whenever on or after the Subscription Date the Company grants, issues or sells (or enters into any agreement to grant, issue or sell), or in accordance with this Section 7(a) is deemed to have granted, issued or sold, any Ordinary Shares (including the granting, issuance or sale of Ordinary Shares owned or held by or for the account of the Company, but excluding any Excluded Securities granted, issued or sold or deemed to have been granted, issued or sold) for a consideration per share (the "**New Issuance Price**") less than a price equal to the Conversion Price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (such Conversion Price then in effect is referred to herein as the "**Applicable Price**") (the foregoing a "**Dilutive Issuance**"), then, immediately after such Dilutive Issuance, the Conversion Price then in effect shall be reduced to an amount equal to the New Issuance Price. For all purposes of the foregoing (including, without limitation, determining the adjusted Conversion Price and the New Issuance Price under this Section 7(a)), the following shall be applicable:

(i) Issuance of Options. If the Company in any manner grants, issues or sells (or enters into any agreement to grant, issue or sell) any Options and the lowest price per share for which one Ordinary Share is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting, issuance or sale of such Option for such price per share. For purposes of this Section 7(a)(i), the "lowest price per share for which one Ordinary Share is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one Ordinary Share upon the granting, issuance or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof and (y) the lowest exercise price set forth in such Option for which one Ordinary Share is issuable (or may become issuable assuming all possible market conditions) upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof, minus (2) the sum of all amounts paid or payable to the holder of such Option (or any other Person) with respect to any one Ordinary Share upon the granting, issuance or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof plus the value of any other consideration (including, without limitation, consideration consisting of cash, debt forgiveness, assets or any other property) received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Conversion Price shall be made upon the actual issuance of such Ordinary Share or of such Convertible Securities upon the exercise of such Options or otherwise pursuant to the terms thereof or upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells (or enters into any agreement to issue or sell) any Convertible Securities and the lowest price per share for which one Ordinary Share is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale (or the time of execution of such agreement to issue or sell, as applicable) of such Convertible Securities for such price per share. For the purposes of this Section 7(a)(ii), the "lowest price per share for which one Ordinary Share is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one Ordinary Share upon the issuance or sale (or pursuant to the agreement to issue or sell, as applicable) of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security or otherwise pursuant to the terms thereof and (y) the lowest conversion price set forth in such Convertible Security for which one Ordinary Share is issuable (or may become issuable assuming all possible market conditions) upon conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) with respect to any one Ordinary Share upon the issuance or sale (or the agreement to issue or sell, as applicable) of such Convertible Security plus the value of any other consideration received or receivable (including, without limitation, any consideration consisting of cash, debt forgiveness, assets or other property) by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Conversion Price shall be made upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities or otherwise pursuant to the terms thereof, and if any such issuance or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of the Conversion Price has been or is to be made pursuant to other provisions of this Section 7(a), except as contemplated below, no further adjustment of the Conversion Price shall be made by reason of such issuance or sale.

(iii) Change in Option Price or Rate of Conversion. If the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Ordinary Shares increases or decreases at any time (other than proportional changes in conversion or exercise prices, as applicable, in connection with an event referred to in Section 7(b) below), the Conversion Price in effect at the time of such increase or decrease shall be adjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate (as the case may be) at the time initially granted, issued or sold. For purposes of this Section 7(a)(iii), if the terms of any Option or Convertible Security (including, without limitation, any Option or Convertible Security that was outstanding as of the Subscription Date) are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Ordinary Shares deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 7(a) shall be made if such adjustment would result in an increase of the Conversion Price then in effect.

(iv) Calculation of Consideration Received. If any Option and/or Convertible Security and/or Adjustment Right is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company (as determined by the Holder, the "**Primary Security**", and such Option and/or Convertible Security and/or Adjustment Right, the "**Secondary Securities**"), together comprising one integrated transaction (or one or more transactions if such issuances or sales or deemed issuances or sales of securities of the Company either (A) have at least one investor or purchaser in common, (B) are consummated in reasonable proximity to each other and/or (C) are consummated under the same plan of financing), the aggregate consideration per Ordinary Share with respect to such Primary Security shall be deemed to be equal to the difference of (x) the lowest price per share for which one Ordinary Share was issued (or was deemed to be issued pursuant to Section 7(a)(i) or 7(a)(ii) above, as applicable) in such integrated transaction solely with respect to such Primary Security, minus (y) with respect to such Secondary Securities, the sum of (I) the Black Scholes Consideration Value of each such Option, if any, (II) the fair market value (as determined by the Holder in good faith) or the Black Scholes Consideration Value, as applicable, of such Adjustment Right, if any, and (III) the fair market value (as determined by the Holder) of such Convertible Security, if any, in each case, as determined on a per share basis in accordance with this Section 7(a)(iv). If any Ordinary Shares, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor (for the purpose of determining the consideration paid for such Ordinary Shares, Option or Convertible Security, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the net amount of consideration received by the Company therefor. If any Ordinary Shares, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company (for the purpose of determining the consideration paid for such Ordinary Shares, Options or Convertible Securities, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any Ordinary Shares, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor (for the purpose of determining the consideration paid for such Ordinary Shares, Options or Convertible Securities, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Ordinary Shares, Options or Convertible Securities (as the case may be). The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "**Valuation Event**"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10^{th}) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If the Company takes a record of the holders of Ordinary Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Ordinary Shares, Options or in Convertible Securities or (B) to subscribe for or purchase Ordinary Shares, Options or Convertible Securities, then such record date will be deemed to be the date of the issuance or sale of the Ordinary Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(b) Adjustment of Conversion Price upon Subdivision or Combination of Ordinary Shares. Without limiting any provision of Section 6, Section 18 or Section 7(a), if the Company at any time on or after the Subscription Date subdivides (by any share split, share dividend, share combination, recapitalization or other similar transaction) one or more classes of its outstanding Ordinary Shares into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Section 6, Section 18 or Section 7(a), if the Company at any time on or after the Subscription Date combines (by any share split, share dividend, share combination, recapitalization or other similar transaction) one or more classes of its outstanding Ordinary Shares into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7(b) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(b) 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.

(c) Holder's Right of Adjusted Conversion Price. In addition to and not in limitation of the other provisions of this Section 7, if the Company in any manner issues or sells or enters into any agreement to issue or sell, any Ordinary Shares, Options or Convertible Securities (other than a Permitted VRT (as defined in the Securities Purchase Agreement)) (any such securities, "**Variable Price Securities**"), after the Subscription Date that are issuable pursuant to such agreement or convertible into or exchangeable or exercisable for Ordinary Shares at a price which varies or may vary with the market price of the Ordinary Shares, including by way of one or more reset(s) to a fixed price, but exclusive of such formulations reflecting customary anti-dilution provisions (such as share splits, share combinations, share dividends and similar transactions) (each of the formulations for such variable price being herein referred to as, the "**Variable Price**"), the Company shall provide written notice thereof via electronic mail and overnight courier to the Holder on the date of such agreement and the issuance of such Ordinary Shares, Convertible Securities or Options. From and after the date the Company enters into such agreement or issues any such Variable Price Securities, the Holder shall have the right, but not the obligation, in its sole discretion to substitute the Variable Price for the Conversion Price upon conversion of this Note by designating in the Conversion Notice delivered upon any conversion of this Note that solely for purposes of such conversion the Holder is relying on the Variable Price rather than the Conversion Price then in effect. The Holder's election to rely on a Variable Price for a particular conversion of this Note shall not obligate the Holder to rely on a Variable Price for any future conversion of this Note.

(d) Other Events. In the event that the Company (or any Subsidiary) 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 7 but not expressly provided for by such provisions (including, without limitation, the granting of share appreciation rights, phantom share 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 so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 7(d) will increase the Conversion Price as otherwise determined pursuant to this Section 7, 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 absent manifest error and whose fees and expenses shall be borne by the Company.

(e) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest cent or 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.

(f) Voluntary Adjustment by Company. Subject to the rules and regulations of the Principal Market, the Company may at any time during the term of this Note, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce the then current Conversion Price of each of the Notes to any amount and for any period of time deemed appropriate by the board of directors of the Company.

8. INSTALLMENT CONVERSION OR REDEMPTION.

(a) General. On each applicable Installment Date, provided there has been no Equity Conditions Failure, the Company shall pay to the Holder of this Note the applicable Installment Amount due on such date by converting such Installment Amount in accordance with this Section 8 (a "**Installment Conversion**"); provided, however, that the Company may, at its option following notice to the Holder as set forth below, pay the Installment Amount by redeeming such Installment Amount in cash (a "**Installment Redemption**") or by any combination of an Installment Conversion and an Installment Redemption so long as all of the outstanding applicable Installment Amount due on any Installment Date shall be converted and/or redeemed by the Company on the applicable Installment Date, subject to the provisions of this Section 8. On the date which is the twenty-first (21st) Trading Day prior to each Installment Date (or, with respect to the initial Installment Date, the Initial Installment Notice Due Date) (each, an "**Installment Notice Due Date**"), the Company shall deliver written notice (each, a "**Installment Notice**" and the date all of the holders receive such notice is referred to as to the "**Installment Notice Date**"), to each holder of Notes and such Installment Notice shall (i) either (A) confirm that the applicable Installment Amount of such holder's Note shall be converted in whole pursuant to an Installment Conversion or (B) (1) state that the Company elects to redeem for cash, or is required to redeem for cash in accordance with the provisions of the Notes, in whole or in part, the applicable Installment Amount pursuant to an Installment Redemption and (2) specify the portion of such Installment Amount which the Company elects or is required to redeem pursuant to an Installment Redemption (such amount to be redeemed in cash, the "**Installment Redemption Amount**") and the portion of the applicable Installment Amount, if any, with respect to which the Company will, and is permitted to, effect an Installment Conversion (such amount of the applicable Installment Amount so specified to be so converted pursuant to this Section 8 is referred to herein as the "**Installment Conversion Amount**"), which amounts when added together, must at least equal the entire applicable Installment Amount and (ii) if the applicable Installment Amount is to be paid, in whole or in part, pursuant to an Installment Conversion, certify that there is not then an Equity Conditions Failure as of the applicable Installment Notice Date. Each Installment Notice shall be irrevocable. If the Company does not timely deliver an Installment Notice in accordance with this Section 8 with respect to a particular Installment Date, then the Company shall be deemed to have delivered an irrevocable Installment Notice confirming an Installment Conversion of the entire Installment Amount payable on such Installment Date and shall be deemed to have certified that there is not then an Equity Conditions Failure in connection with such Installment Conversion. The applicable Installment Conversion Amount (whether set forth in the applicable Installment Notice or by operation of this Section 8) shall be converted in accordance with Section 8(b) and the applicable Installment Redemption Amount shall be redeemed in accordance with Section 8(c).

(b) Mechanics of Installment Conversion. Subject to Section 3(d), if the Company delivers an Installment Notice or is deemed to have delivered an Installment Notice certifying that such Installment Amount is being paid, in whole or in part, in an Installment Conversion in accordance with Section 8(a), then the remainder of this Section 8(b) shall apply. The applicable Installment Conversion Amount, if any, shall be converted on the applicable Installment Date at the applicable Installment Conversion Price and the Company shall, on such Installment Date, (A) deliver to the Holder's account with DTC such Ordinary Shares issued upon such conversion (subject to the reduction contemplated by the immediately following sentence and, if applicable, the penultimate sentence of this Section 8(b)) and (B) in the event of the Conversion Floor Price Condition, the Company shall deliver to the Holder the applicable Installment Conversion Floor Amount, provided that the Equity Conditions are then satisfied (or waived in writing by the Holder) on such Installment Date and an Installment Conversion is not otherwise prohibited under any other provision of this Note. If the Company confirmed (or is deemed to have confirmed by operation of Section 8(a)) the conversion of the applicable Installment Conversion Amount, in whole or in part, and there was no Equity Conditions Failure as of the applicable Installment Notice Date (or is deemed to have certified that the Equity Conditions in connection with any such conversion have been satisfied by operation of Section 8(a)) but an Equity Conditions Failure occurred between the applicable Installment Notice Date and any time through the applicable Installment Date (the "**Interim Installment Period**"), the Company shall provide the Holder a subsequent notice to that effect. If there is an Equity Conditions Failure (which is not waived in writing by the Holder) during such Interim Installment Period or an Installment Conversion is not otherwise permitted under any other provision of this Note, then, at the option of the Holder designated in writing to the Company, the Holder may require the Company to do any one or more of the following: (i) the Company shall redeem all or any part designated by the Holder of the unconverted Installment Conversion Amount (such designated amount is referred to as the "**Designated Redemption Amount**") and the Company shall pay to the Holder within one (1) Trading Day of such Installment Date, by wire transfer of immediately available funds, an amount in cash equal to 125% of such Designated Redemption Amount, and/or (ii) the Installment Conversion shall be null and void with respect to all or any part designated by the Holder of the unconverted Installment Conversion Amount and the Holder shall be entitled to all the rights of a holder of this Note with respect to such designated part of the Installment Conversion Amount; provided, however, the Conversion Price for such designated part of such unconverted Installment Conversion Amount shall thereafter be adjusted to equal the lesser of (A) the Installment Conversion Price as in effect on the date on which the Holder voided the Installment Conversion and (B) the Installment Conversion Price that would be in effect on the date on which the Holder delivers a Conversion Notice relating thereto as if such date was an Installment Date. If the Company fails to redeem any Designated Redemption Amount by the first (1^{st}) Trading day following the applicable Installment Date by payment of such amount by such date, then the Holder shall have the rights set forth in Section 14(a) as if the Company failed to pay the applicable Installment Redemption Price (as defined below) and all other rights under this Note (including, without limitation, such failure constituting an Event of Default described in Section 4(a)(vi)). Notwithstanding anything to the contrary in this Section 8(b), but subject to 3(d), until the Company delivers Ordinary Shares representing the Installment Conversion Amount to the Holder, the Installment Conversion Amount may be converted by the Holder into Ordinary Shares pursuant to Section 3. In the event that the Holder elects to convert the Installment Conversion Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Conversion Amount so converted shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. The Company shall pay any and all taxes that may be payable with respect to the issuance and delivery of any Ordinary Shares in any Installment Conversion hereunder.

(c) Mechanics of Installment Redemption. If the Company elects or is required to effect an Installment Redemption, in whole or in part, in accordance with Section 8(a), then the Installment Redemption Amount, if any, shall be redeemed by the Company in cash on the applicable Installment Date by wire transfer to the Holder of immediately available funds in an amount equal to 100% of the applicable Installment Redemption Amount (the "**Installment Redemption Price**"). If the Company fails to redeem such Installment Redemption Amount on such Installment Date by payment of the Installment Redemption Price, then, at the option of the Holder designated in writing to the Company (any such designation shall be a "**Conversion Notice**" for purposes of this Note), the Holder may require the Company to convert all or any part of the Installment Redemption Amount at the Installment Conversion Price (determined as of the date of such designation as if such date were an Installment Date). Conversions required by this Section 8(c) shall be made in accordance with the provisions of Section 3(c). Notwithstanding anything to the contrary in this Section 8(c), but subject to Section 3(d), until the Installment Redemption Price (together with any Late Charges thereon) is paid in full, the Installment Redemption Amount (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to Section 3. In the event the Holder elects to convert all or any portion of the Installment Redemption Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Redemption Amount so converted shall be deducted from the Installment Amounts relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. Redemptions required by this Section 8(c) shall be made in accordance with the provisions of Section 14.

(d) Acceleration of Installment Amounts. Notwithstanding anything herein to the contrary, if the Company has elected to effect an Installment Conversion with respect to an Installment Date (each, a "**Current Installment Date**"), during the period commencing on such Current Installment Date and ending on the Trading Day immediately prior to the next Installment Date (each, an "**Installment Period**"), at the option of the Holder, at one or more times, the Holder may convert other Installment Amounts (each, an "**Acceleration**", and each such amount, an "**Acceleration Amount**", and the Conversion Date of any such Acceleration, each an "**Acceleration Date**"), in whole or in part, at the Acceleration Conversion Price then in effect in accordance with the conversion procedures set forth in Section 3 hereunder, *mutatis mutandis*; provided, that if a Conversion Floor Price Condition exists with respect to such Acceleration Date, with each Acceleration the Company shall also deliver to the Holder the Acceleration Floor Amount on each applicable Share Delivery Deadline with respect thereto.

9. REDEMPTIONS AT THE COMPANY'S ELECTION.

(a) Company Optional Redemption. At any time the Company shall have the right to redeem all, or any part, of the Conversion Amount then remaining under this Note (each, a "**Company Optional Redemption Amount**") on the Company Optional Redemption Date (each as defined below) (each, a "**Company Optional Redemption**"). The portion of this Note subject to redemption pursuant to this Section 9(a) shall be redeemed by the Company in cash at a price (each, a "**Company Optional Redemption Price**") equal to 120% of the Conversion Amount being redeemed as of the Company Optional Redemption Date. The Company may exercise its right to require redemption under this Section 9(a) by delivering a written notice thereof by electronic mail and overnight courier to all, but not less than all, of the holders of Notes (each, an "**Company Optional Redemption Notice**" and each date all of the holders of Notes received such notice is referred to as a "**Company Optional Redemption Notice Date**"). The Company may deliver only one Company Optional Redemption Notice hereunder in any given twenty (20) Trading Day period and each Company Optional Redemption Notice shall be irrevocable. The Company Optional Redemption Notice shall (x) state the date on which the Company Optional Redemption shall occur (each, an "**Company Optional Redemption Date**") which date shall not be less than twenty (20) Trading Days nor more than one hundred (100) Trading Days following the Company Optional Redemption Notice Date, and (y) state the aggregate Conversion Amount of the Notes which is being redeemed in such Company Optional Redemption from the Holder and all of the other holders of the Notes pursuant to this Section 9(a) (and analogous provisions under the Other Notes) on the Company Optional Redemption Date. All Conversion Amounts converted by the Holder after the Company Optional Redemption Notice Date shall reduce the Company Optional Redemption Amount of this Note required to be redeemed on the Company Optional Redemption Date. Redemptions made pursuant to this Section 9(a) shall be made in accordance with Section 14. In the event of the Company's redemption of any portion of this Note under this Section 9(a), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 9(a) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. For the avoidance of doubt, the Company shall have the right to effect a Company Optional Redemption even if any Event of Default has occurred and continuing, and any Event of Default shall have no effect upon the Holder's right to convert this Note in its discretion.

(b) Pro Rata Redemption Requirement. If the Company elects to cause a Company Optional Redemption of this Note pursuant to Section 9(a) above, then it must simultaneously take the same action with respect to all of the Other Notes.

10. EQUITY LINE OPTIONAL REDEMPTION.

(a) General. At any time on or after the Issuance Date, if the Company sells any Ordinary Shares pursuant to any equity line of credit, at-the-market offering or other similar transaction with any Person (including, with limitation, pursuant to any Permitted VRT) (each, an "**Equity Line**") (and each date the Company sells any Ordinary Shares pursuant to any such Equity Line, each an "**Equity Line Trigger Date**", and each such sale, an "**Eligible Equity Line Transaction**"), the Holder shall have the right, in its sole discretion, to require that the Company redeem in cash (each an "**Equity Line Transaction Optional Redemption**") all, or any portion, of this Note not in excess of (together with any Equity Line Transaction Optional Redemption Amount (as defined in the applicable Other Notes of the Holder) of any Other Notes of the Holder) equal to the Holder's Holder Pro Rata Amount of 30% of the net proceeds of such Eligible Equity Line Transaction (each, an "**Eligible Equity Line Transaction Optional Redemption Amount**") by delivering written notice thereof (each, an "**Equity Line Transaction Optional Redemption Notice**") to the Company.

(b) Mechanics. By no later than 9:00 AM, New York City time on the first (1st) Business Day of the immediately subsequent calendar week after any such Equity Line Trigger Date (each, an "**Eligible Equity Line Transaction Notice Date**"), the Company shall deliver written notice to the Holder (each, an "**Eligible Equity Line Transaction Notice**"). Each Eligible Equity Line Transaction Notice shall specify (i) the aggregate net proceeds (less any reasonable and documented legal fees and expenses) of all Eligible Equity Line Transactions in the prior calendar week (each, an "**Eligible Equity Line Proceeds Amount**") and (ii) the Holder's Holder Pro Rata Amount of 30% of such Eligible Equity Line Proceeds Amount. Each Equity Line Transaction Optional Redemption Notice shall indicate that all, or such applicable portion, as set forth in the applicable Eligible Equity Line Transaction Notice, of the Eligible Equity Line Proceeds Amount the Holder is electing to have redeemed (each, an "**Equity Line Optional Redemption Amount**") and the date of such Equity Line Transaction Optional Redemption (each, an "**Equity Line Optional Redemption Date**"), which shall be the fifth (5th) Business Day after the date of the applicable Equity Line Transaction Optional Redemption Notice. The portion of the Conversion Amount of this Note subject to redemption pursuant to this Section 10 shall be redeemed by the Company in cash at a price equal to 110% of the Eligible Equity Line Transaction Optional Redemption Amount (each, an "**Equity Line Optional Redemption Price**"). Redemptions required by this Section 10 shall be made in accordance with the provisions of Section 14.

11. EXCHANGE RIGHT. Notwithstanding anything herein to the contrary, if the Company or any of its Subsidiaries consummates (or enters into any agreement to consummate) any Subsequent Placement (as defined in the Securities Purchase Agreement) and the Holder elects in writing to the Company to participate in such Subsequent Placement, the Holder may, at the option of the Holder as elected in writing to the Company, exchange all, or any part, of the portion of this Note then outstanding and elected by the Holder to be subject to such exchange (the "**Exchanging Note Amount**") into the securities in such Subsequent Placement (with the aggregate amount of such securities to be issued in such exchange equal to such aggregate amount of such securities with a purchase price valued at 110% of the greater of (i) the Exchanging Note Amount being redeemed and (ii) the product of (1) the quotient of (A) the Exchanging Note Amount being redeemed divided by (b) the applicable Alternate Conversion Price then in effect multiplied by (2) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date immediately preceding such notice and ending on the Trading Day immediately prior to the consummation of such Subsequent Placement).

12. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles of Association of the Company, Memorandum of Association of the Company 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 of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing or any other provision of this Note or the other Transaction Documents, the Company (a) shall not increase the par value of any Ordinary Shares receivable upon conversion of this Note above the Conversion Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Ordinary Shares upon the conversion of this Note. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to convert this Note in full for any reason (other than pursuant to restrictions set forth in Section 3(d) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such conversion into Ordinary Shares.

13. RESERVATION OF AUTHORIZED SHARES.

(a) Reservation. So long as any Notes remain outstanding, the Company shall at all times reserve at least 200% of the number of Ordinary Shares as shall from time to time be necessary to effect the conversion, including without limitation, Installment Conversions, Alternate Conversions and Accelerations, of all of the Notes then outstanding (without regard to any limitations on conversions and assuming such Notes remain outstanding until the Maturity Date) at the Conversion Price then in effect (the "**Required Reserve Amount**"). The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be allocated pro rata among the holders of the Notes based on the original principal amount of the Notes held on the Applicable Closing Date or increase in the number of reserved shares, as the case may be (the "**Authorized Share Allocation**"). In the event that a holder shall sell or otherwise transfer any of such holder's Notes, each transferee shall be allocated a pro rata portion of such holder's Authorized Share Allocation. Any Ordinary Shares reserved and allocated to any Person which ceases to hold any Notes shall be allocated to the remaining holders of Notes, pro rata based on the principal amount of the Notes then held by such holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 13(a), and not in limitation thereof, at any time while any of the Notes remain outstanding the Company does not have a sufficient number of authorized and unreserved Ordinary Shares to satisfy its obligation to reserve for issuance upon conversion of the Notes at least a number of Ordinary Shares equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized Ordinary Shares to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its shareholders for the approval of an increase in the number of authorized Ordinary Shares. In connection with such meeting, the Company shall provide each shareholder with a proxy statement and shall use its best efforts to solicit its shareholders' approval of such increase in authorized Ordinary Shares and to cause its board of directors to recommend to the shareholders that they approve such proposal. In the event that the Company is prohibited from issuing Ordinary Shares pursuant to the terms of this Note due to the failure by the Company to have sufficient Ordinary Shares available out of the authorized but unissued Ordinary Shares (such unavailable number of Ordinary Shares, the "**Authorized Failure Shares**"), in lieu of delivering such Authorized Failure Shares to the Holder, the Company shall pay cash in exchange for the redemption of such portion of the Conversion Amount convertible into such Authorized Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorized Failure Shares and (y) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date the Holder delivers the applicable Conversion Notice with respect to such Authorized Failure Shares to the Company and ending on the date of such issuance and payment under this Section 13(a); and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) Ordinary Shares to deliver in satisfaction of a sale by the Holder of Authorized Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in Section 13(a) or this Section 13(b) shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

14. REDEMPTIONS.

(a) Mechanics. The Company shall deliver the applicable Event of Default Redemption Price to the Holder in cash within five (5) Business Days after the Company's receipt of the Holder's Event of Default Redemption Notice. If the Holder has submitted a Change of Control Redemption Notice in accordance with Section 5(b), the Company shall deliver the applicable Change of Control Redemption Price to the Holder in cash concurrently with the consummation of such Change of Control if such notice is received prior to the consummation of such Change of Control and within five (5) Business Days after the Company's receipt of such notice otherwise. The Company shall deliver the applicable Company Optional Redemption Price to the Holder in cash on the applicable Company Optional Redemption Date. The Company shall deliver the applicable Equity Line Optional Redemption Price to the Holder in cash on the applicable Equity Line Optional Redemption Date. The Company shall deliver the applicable Installment Redemption Price to the Holder in cash on the applicable Installment Date. Notwithstanding anything herein to the contrary, in connection with any redemption hereunder at a time the Holder is entitled to receive a cash payment under any of the other Transaction Documents, at the option of the Holder delivered in writing to the Company, the applicable Redemption Price hereunder shall be increased by the amount of such cash payment owed to the Holder under such other Transaction Document and, upon payment in full or conversion in accordance herewith, shall satisfy the Company's payment obligation under such other Transaction Document. In the event of a redemption of less than all of the Conversion Amount of this Note, the Company shall promptly cause to be issued and delivered to the Holder a new Note (in accordance with Section 21(c)) representing the outstanding Principal which has not been redeemed. In the event that the Company does not pay the applicable Redemption Price to the Holder within the time period required, at any time thereafter and until the Company pays such unpaid Redemption Price in full, the Holder shall have the option, in lieu of redemption, to require the Company to promptly return to the Holder all or any portion of this Note representing the Conversion Amount that was submitted for redemption and for which the applicable Redemption Price (together with any Late Charges thereon) has not been paid. Upon the Company's receipt of such notice, (x) the applicable Redemption Notice shall be null and void with respect to such Conversion Amount, and (y) the Company shall immediately return this Note, or issue a new Note (in accordance with Section 21(c)), to the Holder, and in each case the principal amount of this Note or such new Note (as the case may be) shall be increased by an amount equal to the difference between (1) the applicable Redemption Price (as the case may be, and as adjusted pursuant to this Section 14, if applicable) minus (2) the Principal portion of the Conversion Amount submitted for redemption. The Holder's delivery of a notice voiding a Redemption Notice and exercise of its rights following such notice shall not affect the Company's obligations to make any payments of Late Charges which have accrued prior to the date of such notice with respect to the Conversion Amount subject to such notice.

(b) Redemption by Other Holders. Upon the Company's receipt of notice from any of the holders of the Other Notes for redemption or repayment as a result of an event or occurrence substantially similar to the events or occurrences described in Section 4(b) or Section 5(b) (each, an "**Other Redemption Notice**"), the Company shall immediately, but no later than one (1) Business Day of its receipt thereof, forward to the Holder by electronic mail a copy of such notice. If the Company receives a Redemption Notice and one or more Other Redemption Notices, during the seven (7) Business Day period beginning on and including the date which is two (2) Business Days prior to the Company's receipt of the Holder's applicable Redemption Notice and ending on and including the date which is two (2) Business Days after the Company's receipt of the Holder's applicable Redemption Notice and the Company is unable to redeem all principal, interest and other amounts designated in such Redemption Notice and such Other Redemption Notices received during such seven (7) Business Day period, then the Company shall redeem a pro rata amount from each holder of the Notes (including the Holder) based on the principal amount of the Notes submitted for redemption pursuant to such Redemption Notice and such Other Redemption Notices received by the Company during such seven (7) Business Day period.

15. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Note, except as required by law (including, without limitation, the Israeli Companies Law, 5759-1999) and as expressly provided in this Note.

16. COVENANTS. Until all of the Notes have been converted, redeemed or otherwise satisfied in accordance with their terms:

(a) Rank. All payments due under this Note (a) shall rank *pari passu* with all Other Notes and (b) shall be senior to all other Indebtedness of the Company and its Subsidiaries (other than Permitted Indebtedness secured by Permitted Liens).

(b) Incurrence of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume or suffer to exist any Indebtedness (other than (i) the Indebtedness evidenced by this Note and the Other Notes and (ii) other Permitted Indebtedness).

(c) Existence of Liens. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Company or any of its Subsidiaries (collectively, "**Liens**") other than Permitted Liens.

(d) Restricted Payments and Investments. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Indebtedness (other than the Notes) whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness or make any Investment, as applicable, if at the time such payment with respect to such Indebtedness and/or Investment, as applicable, is due or is otherwise made or, after giving effect to such payment, (i) an event constituting an Event of Default has occurred and is continuing or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing.

(e) 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 or declare or pay any cash dividend or distribution on any of its share capital.

(f) Restriction on Transfer of Assets. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of the Company or any Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions (each, an "**Asset Sale**"), other than (i) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by the Company and its Subsidiaries in the ordinary course of business consistent with its past practice, (ii) sales of inventory and product in the ordinary course of business and (iii) the sale of the Company's Qpoint subsidiaries.

(g) Maturity of Indebtedness. Other than with respect to Permitted Indebtedness secured by Permitted Liens or as set forth on Schedule 16(g) attached hereto, the Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, permit any Indebtedness of the Company or any of its Subsidiaries to mature or accelerate prior to the Maturity Date.

(h) 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 or publicly contemplated to be conducted by the Company and each of its Subsidiaries on the Subscription 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.

(i) 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.

(j) 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.

(k) Maintenance of Intellectual Property. The Company will, and will cause each of its Subsidiaries to, take all action necessary or advisable to maintain all of the Intellectual Property Rights (as defined in the Securities Purchase Agreement) of the Company and/or any of its Subsidiaries that are necessary or material to the conduct of its business in full force and effect.

(l) 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.

(m) Transactions with Affiliates. The Company shall not, nor shall it permit any of its Subsidiaries to, enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any affiliate, except in accordance with applicable law and for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an affiliate thereof.

(n) Restricted Issuances. The Company shall not, directly or indirectly, without the prior written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, (i) issue any Notes (other than as contemplated by the Securities Purchase Agreement and the Notes) or (ii) issue any other securities that would cause a breach or default under the Notes or the Warrants.

(o) Stay, Extension and Usury Laws. To the extent that it may lawfully do so, the Company (A) agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law (wherever or whenever enacted or in force) that may affect the covenants or the performance of this Note; and (B) expressly waives all benefits or advantages of any such law and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power granted to the Holder by this Note, but will suffer and permit the execution of every such power as though no such law has been enacted.

(p) Taxes. The Company and its Subsidiaries shall pay when due all taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against the Company and its Subsidiaries or their respective assets or upon their ownership, possession, use, operation or disposition thereof or upon their rents, receipts or earnings arising therefrom (except where the failure to pay would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). The Company and its Subsidiaries shall file on or before the due date therefor all personal property tax returns (except where the failure to file would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). Notwithstanding the foregoing, the Company and its Subsidiaries may contest, in good faith and by appropriate proceedings, taxes for which they maintain adequate reserves therefor in accordance with IFRS.

(q) Independent Investigation. At the request of the Holder either (x) at any time when an Event of Default has occurred and is continuing, (y) upon the occurrence of an event that with the passage of time or giving of notice would constitute an Event of Default or (z) at any time the Holder reasonably believes an Event of Default may have occurred or be continuing, the Company shall hire an independent, reputable investment bank selected by the Company and approved by the Holder to investigate as to whether any breach of this Note has occurred (the "**Independent Investigator**"). If the Independent Investigator determines that such breach of this Note has occurred, the Independent Investigator shall notify the Company of such breach and the Company shall deliver written notice to each holder of a Note of such breach. The Company shall furnish the Independent Investigator with such financial and operating data and other information with respect to the business and properties of the Company as the Independent Investigator may reasonably request, if being understood that the Company shall not be required to provide information this is confidential or secret (without a confidentiality agreement reasonably acceptable to the parties) or subject to attorney-client or other evidentiary privilege. The Company shall permit the Independent Investigator to discuss the affairs, finances and accounts of the Company with, and to make proposals and furnish advice with respect thereto to, the Company's officers, all at such reasonable times, upon reasonable notice, and as often as may be reasonably requested.

17. SUBORDINATION. Notwithstanding anything to the contrary contained in the Transaction Documents, the rights of the Holder to receive any cash payments hereunder (other than any required cash payments hereunder arising pursuant to Section 5(b) (solely with respect to a Going Private Transaction) and/or Section 10, as applicable, which shall not be subject to any subordination or subrogation provisions herein or in any other document or agreement), shall be expressly subordinate and junior in right of payment to the prior the satisfaction in full of any amounts outstanding (other than unasserted contingent obligations) pursuant to the terms of the Permitted Senior Indebtedness as in effect as of the Subscription Date (without regard to any amendment, modification or waiver thereto after the Subscription Date); provided, that nothing herein shall be deemed to subordinate (a) the Holder's right (to the extent established pursuant to one or more definitive agreements with the Company after the date hereof) to receive any equity security(ies) of the Company in exchange for all, or any part, of the Conversion Amount hereunder (or any other amounts outstanding hereunder from time to time, as applicable) (each, an "**Exchange Security**") or (b) any cash or other proceeds received, directly or indirectly, by the Holder from the sale or other disposition of any such Exchange Security. The subordination provisions set forth in this Section 17 are for the benefit of the holders of the Permitted Senior Indebtedness. No right of any agent for the holders of the Permitted Senior Indebtedness to enforce the subordination provisions herein shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or the Holder or by any noncompliance by the Company or the Holder with the terms herein. The holders of the Permitted Senior Indebtedness and their respective agents shall be a third party beneficiaries of the subordination provisions set forth in this Section 17.

18. DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Sections 6(a) or 7, if the Company shall declare or make any dividend or other distributions of its assets (or rights to acquire its assets) to any or all holders of Ordinary Shares, by way of return of capital or otherwise (including without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (the "**Distributions**"), then the Holder will be entitled to such Distributions as if the Holder had held the number of Ordinary Shares acquirable upon conversion of this Note (taking into account the limitation on the convertibility of this Note under Section 3(d) and assuming for such purpose that the Note was converted at the applicable Alternate Conversion Price as of the applicable record date) immediately prior to 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 such Distributions. Without the prior written consent of the Holder, the Company shall not declare or make any Distribution to any Person if it would result in a smaller Distribution to the Holder pursuant to this Section 18 than the Distribution that would be made to the Holder if the Holder had, as of the record date for such Distribution, held the aggregate number of Ordinary Shares acquirable upon complete conversion of this Note (without taking into account the limitation on the convertibility of this Note under Section 3(d) above).

19. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d) and this Section 19, which may not be amended, modified or waived hereunder, the prior written consent of the Company and the Required Holders (as defined in the Securities Purchase Agreement) shall be required for any amendment, modification or waiver to this Note. Any amendment, modification or waiver so approved shall be binding upon all existing and future holders of this Note and any Other Notes; provided, however, that no such change, waiver or, as applied to any of the Notes held by any particular holder of Notes, shall, without the written consent of that particular holder, (i) reduce the amount of Principal, reduce the amount of accrued and unpaid Interest, or extend the Maturity Date, of the Notes, (ii) disproportionally and adversely affect any rights under the Notes of any holder of Notes; or (iii) modify any of the provisions of, or impair the right of any holder of Notes under, this Section 19.

20. TRANSFER. This Note and any Ordinary Shares issued upon conversion of this Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to the provisions of Section 2(g) of the Securities Purchase Agreement.

21. REISSUANCE OF THIS 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 21(c)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 21(c)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 3(c)(iii) following conversion or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal 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 21(c)) representing the outstanding Principal.

(c) 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 21(c) and in principal amounts of at least $1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. 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 Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 21(a) or Section 21(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal 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, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Interest and Late Charges on the Principal and Interest of this Note, from the Issuance Date.

22. 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 any of 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 Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Holder of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. In addition, the exercise of any right or remedy of the Holder at law or equity or under this Note or any of the documents shall not be deemed to be an election of Holder's rights or remedies under such documents or at law or equity. 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, conversion 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 shall be entitled, in addition to all other available remedies, to 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. 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 7).

23. 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 or (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 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. The Company expressly acknowledges and agrees that no amounts due under this Note shall be affected, or limited, by the fact that the purchase price paid for this Note was less than the original Principal amount hereof.

24. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the initial Holder and shall not be construed against any such Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note. 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 Note instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Note. Terms used in this Note and not otherwise defined herein, but defined in the other Transaction Documents, shall have the meanings ascribed to such terms on the Applicable Closing Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

25. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the 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. Notwithstanding the foregoing, nothing contained in this Section 25 shall permit any waiver of any provision of Section 3(d).

26. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, an Installment Conversion Price, an Acceleration Conversion Price, an Alternate Conversion Price, a Black Scholes Consideration Value, a VWAP or a fair market value or the arithmetic calculation of a Conversion Rate, or the applicable Redemption Price (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such Installment Conversion Price, such Acceleration Conversion Price, such Alternate Conversion Price, such Black Scholes Consideration Value, such VWAP or such fair market value, or the arithmetic calculation of such Conversion Rate or such applicable Redemption Price (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent, reputable investment bank to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 26 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 26 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under the Delaware Uniform Arbitration Act, as amended, (ii) a dispute relating to a Conversion Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of Ordinary Shares occurred under Section 7(a), (B) the consideration per share at which an issuance or deemed issuance of Ordinary Shares occurred, (C) whether any issuance or sale or deemed issuance or sale of Ordinary Shares was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security and (E) whether a Dilutive Issuance occurred, (iii) the terms of this Note and each other applicable Transaction Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Note and any other applicable Transaction Documents, (iv) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 26 to any state or federal court sitting in Wilmington, Delaware in lieu of utilizing the procedures set forth in this Section 26 and (v) nothing in this Section 26 shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this Section 26).

27. NOTICES; CURRENCY; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 9(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 therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment 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 grant, issuances, or sales of any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property 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 shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. All dollar amounts referred to in this Note are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Note 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 Note, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation (it being understood and agreed that where an amount is calculated with reference to, or over, a period of time, the date of calculation shall be the final date of such period of time).

(c) 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 a certified check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing (which address, in the case each of the Buyers, shall initially be as set forth on Schedule of Buyers attached to the Securities Purchase Agreement or the applicable joinder to the Securities Purchase Agreement, with respect thereto), provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and 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. Any amount of Principal or other amounts due under the Transaction Documents which is not paid when due (except to the extent such amount is simultaneously accruing Interest at the Default Rate hereunder) shall result in a late charge being incurred and payable by the Company in an amount equal to interest on such amount at the rate of eight percent (8%) per annum from the date such amount was due until the same is paid in full ("**Late Charge**").

28. CANCELLATION. After all Principal, accrued Interest, Late Charges and other amounts at any time owed on this Note have been paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued.

29. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Securities Purchase Agreement.

30. GOVERNING LAW. This Note shall be 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 Delaware, without giving effect to any provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. Except as otherwise required by Section 26 above, each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Wilmington, Delaware, 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 (i) 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, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 26. The Company (on behalf of itself and each of its Subsidiaries) hereby appoints BlackSwan Technologies Inc. as its agent for service of process in Delaware. **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.** The choice of the laws of the State of Delaware as the governing law of this Note is a valid choice of law and would be recognized and given effect to in any action brought before a court of competent jurisdiction in the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries except for those laws (i) which such court considers to be procedural in nature, (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries. The Company or any of their respective properties, assets or revenues does not have any right of immunity under the laws of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries or Delaware law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries or any Delaware or United States federal court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Transaction Documents; and, to the extent that the Company, or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company hereby waives such right to the extent permitted by law and hereby consents to such relief and enforcement as provided in this Note and the other Transaction Documents.

31. JUDGMENT CURRENCY.

(a) If for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 31 referred to as the "**Judgment Currency**") an amount due in U.S. dollars under this Note, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(i) the date actual payment of the amount due, in the case of any proceeding in the courts of Delaware or in the courts of any other jurisdiction that will give effect to such conversion being made on such date: or

(ii) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 31(a)(i) being hereinafter referred to as the "**Judgment Conversion Date**").

(b) If in the case of any proceeding in the court of any jurisdiction referred to in Section 31(a)(i) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of US dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Note.

32. SEVERABILITY. If any provision of this Note 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 Note so long as this Note 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).

33. MAXIMUM PAYMENTS. Without limiting Section 9(d) of the Securities Purchase Agreement, nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

34. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(b) "**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(c) "**Acceleration Conversion Price**" means, with respect to any given Acceleration Date, the lower of (i) the Installment Conversion Price for such Current Installment Date related to such Acceleration Date and (ii) the greater of (x) the Floor Price and (y) the lowest of (x) 80% of the lowest VWAP of the Ordinary Shares for any Trading Day during the twenty (20) consecutive Trading Day period ending on, and including, the Trading Day immediately prior to the Issuance Date and (y) 80% of the lowest VWAP of the Ordinary Shares for any Trading Day during the twenty (20) consecutive Trading Day period ending on, and including, the Trading Day immediately prior to the applicable Acceleration Date and (II) solely respect to any Deferral Amount subject to an Acceleration, the lowest Acceleration Conversion Price of any Installment Date in which such Deferral Amount has been subject to a Deferral hereunder (each, a "**Current Acceleration Conversion Price**"), shall replace such Current Acceleration Conversion Price for any Acceleration of such Deferral Amount hereunder. All such determinations to be appropriately adjusted for any stock split, stock dividend, stock combination or other similar transaction during any such measuring period.

(d) "**Acceleration Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the higher of (I) the highest price that the Ordinary Shares trade at on the Trading Day immediately preceding the relevant Acceleration Date with respect to such Acceleration and (II) the applicable Acceleration Conversion Price of such Acceleration Date and (B) the difference obtained by subtracting (I) the number of shares of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Acceleration from (II) the quotient obtained by dividing (x) the applicable Acceleration Amount that the Holder has elected to be the subject of the applicable Acceleration, by (y) the applicable Acceleration Conversion Price of such Acceleration Date without giving effect to clause (x) of such definition or clause (x) of the definition of the Installment Conversion Price, as applicable.

(e) "**Adjustment Right**" means any right granted with respect to any securities issued in connection with, or with respect to, any issuance or sale (or deemed issuance or sale in accordance with Section 7) of Ordinary Shares (other than rights of the type described in Section 6(a) hereof) that could result in a decrease in the net consideration received by the Company in connection with, or with respect to, such securities (including, without limitation, any cash settlement rights, cash adjustment or other similar rights).

(f) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(g) "**Alternate Conversion Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the VWAP on the day the Holder delivers the applicable Conversion Notice and (B) the difference obtained by subtracting (I) the number of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Alternate Conversion from (II) the quotient obtain by dividing (x) the applicable Conversion Amount that the Holder has elected to be the subject of the applicable Alternate Conversion, by (y) the applicable Alternate Conversion Price without giving effect to clause (x) of such definition.

(h) "**Alternate Event of Default Conversion Price**" means, with respect to any Alternate Event of Default Conversion, that price which shall be the lower of (i) the applicable Conversion Price as in effect on the applicable Conversion Date of the applicable Alternate Event of Default Conversion, and (ii) the greater of (x) the Floor Price and (y) 80% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice (such period, the "**Alternate Event of Default Conversion Measuring Period**"). All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Ordinary Shares during such Alternate Event of Default Conversion Measuring Period.

(i) "**Alternate Optional Conversion Price**" means, with respect to any Alternate Optional Conversion, that price which shall be the lower of (i) the applicable Conversion Price as in effect on the applicable Conversion Date of the applicable Alternate Optional Conversion, and (ii) the greater of (x) the Floor Price and (y) 90% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice (such period, the "**Alternate Optional Conversion Measuring Period**"). All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Ordinary Shares during such Alternate Optional Conversion Measuring Period.

(j) "**Applicable Closing Date**" means such Closing Date (as defined in the Securities Purchase Agreement) that the Company initially issued this Note pursuant to the terms of the Securities Purchase Agreement.

(k) "**Approved Share Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the Subscription Date pursuant to which Ordinary Shares and standard options to purchase Ordinary Shares or restricted share units may be issued to any employee, officer, director or consultant for services provided to the Company in their capacity as such.

(l) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's Ordinary Shares would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act or the Companies Law. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(m) "**Black Scholes Consideration Value**" means the value of the applicable Option, Convertible Security or Adjustment Right (as the case may be) as of the date of issuance thereof calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the Closing Sale Price of the Ordinary Shares on the Trading Day immediately preceding the public announcement of the execution of definitive documents with respect to the issuance of such Option, Convertible Security or Adjustment Right (as the case may be), (ii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of such Option, Convertible Security or Adjustment Right (as the case may be) as of the date of issuance of such Option, Convertible Security or Adjustment Right (as the case may be), (iii) a zero cost of borrow and (iv) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the "HVT" function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the date of issuance of such Option, Convertible Security or Adjustment Right (as the case may be).

(n) "**Bloomberg**" means Bloomberg, L.P.

(o) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in The City of New York or Israel are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

(p) "**Change of Control**" means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the Ordinary Shares in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries or (iv) any Going Private Transaction.

(q) "**Change of Control Redemption Premium**" means 115%.

(r) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and 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 last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). 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 26. All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during such period.

(s) "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(t) "**Conversion Floor Price Condition**" means that the relevant Alternate Conversion Price, Acceleration Conversion Price (including any Installment Conversion Price referred to therein) or Installment Conversion Price, as applicable, is being determined based on clause (x) of such definitions.

(u) "**Convertible Securities**" means any shares 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.

(v) "**Current Public Information Failure**" means the failure by the Company for any reason to satisfy the requirements of Rule 144(c)(1) of the 1933 Act, including, without limitation, the failure to satisfy the current public information requirement under Rule 144(c) of the 1933 Act or (y) if the Company has ever been an issuer described in Rule 144(i)(1)(i) or becomes such an issuer in the future, the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) of the 1933 Act.

(w) "**Default Rate**" means, with respect to any determination of the aggregate amount of outstanding accrued, nine percent (9%) per annum.

(x) "**Eligible Market**" means The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, Nasdaq Global Select Market, or the Nasdaq Global Market.

(y) "**Eligible Marketable Securities**" as of any date means marketable securities which would be reflected on a consolidated balance sheet of the Company and its Subsidiaries prepared as of such date in accordance with IFRS, and which are permitted under the Company's investment policies as in effect on the Issuance Date or approved thereafter by the Company's Board of Directors.

(z) "**Equity Conditions**" means, with respect to an given date of determination: (i) on each day during the period beginning thirty (30) calendar days prior to such applicable date of determination and ending on and including such applicable date of determination either (x) one or more Registration Statements filed pursuant to the Registration Rights Agreement shall be effective and the prospectus contained therein shall be available on such applicable date of determination (with, for the avoidance of doubt, any Ordinary Shares previously sold pursuant to such prospectus deemed unavailable) for the resale of all Ordinary Shares to be issued in connection with the event requiring this determination (or issuable upon conversion of the Conversion Amount being redeemed, as applicable, in the event requiring this determination at the applicable Alternate Conversion Price then in effect (without regard to any limitations on conversion set forth herein)) (each, a 'Required Minimum Securities Amount"), in each case, in accordance with the terms of the Registration Rights Agreement and there shall not have been during such period any Grace Periods (as defined in the Registration Rights Agreement) or (y) (or, with respect to the initial Installment Date, during the period beginning on the Initial Installment Notice Due Date and ending on and including the initial Installment Date) all Underlying Securities shall be eligible for sale pursuant to Rule 144 of the 1933 Act without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of the Notes, other issuance of securities with respect to the Notes and exercise of the Warrants) and no Current Public Information Failure exists or is continuing; (ii) on each day during the period beginning thirty (30) calendar days prior to the applicable date of determination and ending on and including the applicable date of determination (the "**Equity Conditions Measuring Period**"), the Ordinary Shares (including all Underlying Securities) are listed or designated for quotation (as applicable) on an Eligible Market and shall not have been suspended from trading on an Eligible Market (other than suspensions of not more than two (2) days and occurring prior to the applicable date of determination due to business announcements by the Company) nor shall delisting or suspension by an Eligible Market have been threatened (with a reasonable prospect of delisting occurring after giving effect to all applicable notice, appeal, compliance and hearing periods) or reasonably likely to occur or pending as evidenced by (A) a writing by such Eligible Market or (B) the Company falling below the minimum listing maintenance requirements of the Eligible Market on which the Ordinary Shares are then listed or designated for quotation (as applicable); (iii) during the Equity Conditions Measuring Period, the Company shall have delivered all Ordinary Shares issuable upon conversion of this Note on a timely basis as set forth in Section 3 hereof and all other share capital required to be delivered by the Company on a timely basis as set forth in the other Transaction Documents; (iv) any Ordinary Shares to be issued in connection with the event requiring determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination) may be issued in full without violating Section 3(d) hereof; (v) any Ordinary Shares to be issued in connection with the event requiring determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination (without regards to any limitations on conversion set forth herein)) may be issued in full without violating the rules or regulations of the Eligible Market on which the Ordinary Shares are then listed or designated for quotation (as applicable); (vi) on each day during the Equity Conditions Measuring Period, no public announcement of a pending, proposed or intended Fundamental Transaction shall have occurred which has not been abandoned, terminated or consummated; (vii) the Company shall have no knowledge of any fact that would reasonably be expected to cause (1) any Registration Statement required to be filed pursuant to the Registration Rights Agreement to not be effective or the prospectus contained therein to not be available for the resale of the applicable Required Minimum Securities Amount of Registrable Securities in accordance with the terms of the Registration Rights Agreement or (2) any Underlying Securities to not be eligible for sale pursuant to Rule 144 without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of the Notes, other issuance of securities with respect to the Notes and exercise of the Warrants) and no Current Public Information Failure exists or is continuing; (viii) the Holder shall not be in (and no other holder of Notes shall be in) possession of any material, non-public information provided to any of them by the Company, any of its Subsidiaries or any of their respective affiliates, employees, officers, representatives, agents or the like; (ix) on each day during the Equity Conditions Measuring Period, the Company otherwise shall have been in compliance with each, and shall not have breached any representation or warranty in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Transaction Document, including, without limitation, the Company shall not have failed to timely make any payment pursuant to any Transaction Document; (x) on each Trading Day during the Equity Conditions Measuring Period, there shall not have occurred any Volume Failure or Price Failure as of such applicable date of determination; (xi) on the applicable date of determination (A) no Authorized Share Failure shall exist or be continuing and all Ordinary Shares to be issued in connection with the event requiring this determination (or issuable upon conversion of the Conversion Amount being redeemed, as applicable, in the event requiring this determination at the applicable Alternate Conversion Price then in effect (without regard to any limitations on conversion set forth herein)) (each, a "**Required Minimum Securities Amount**") are available under the articles of association of the Company and reserved by the Company to be issued pursuant to the Notes and (B) all Ordinary Shares to be issued in connection with the event requiring this determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination (without regards to any limitations on conversion set forth herein)) may be issued in full without resulting in an Authorized Share Failure; (xii) on each day during the Equity Conditions Measuring Period, there shall not have occurred and there shall not exist an Event of Default or an event that with the passage of time or giving of notice would constitute an Event of Default; (xiii) no bone fide dispute shall exist, by and between any of holder of Notes or Warrants, the Company, the Principal Market (or such applicable Eligible Market in which the Ordinary Shares of the Company are then principally trading) and/or FINRA with respect to any term or provision of any Note or any other Transaction Document and (xiv) the Ordinary Shares issuable pursuant the event requiring the satisfaction of the Equity Conditions are duly authorized and listed and eligible for trading without restriction on an Eligible Market.

(aa) "**Equity Conditions Failure**" means that on any day during the period commencing thirty (30) calendar days prior to the applicable date of determination, the Equity Conditions have not been satisfied (or waived in writing by the Holder).

(bb) "**Exchange Notes**" means the Notes issued or issuable by the Company pursuant to that certain Master Exchange Agreement, dated as of September 17, 2025, by and among the Company and Seven Knots, LLC.

(cc) "**Excluded Securities**" means (i) Ordinary Shares or standard options to purchase Ordinary Shares or restricted share units issued to directors, officers, employees or consultants of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Share Plan (as defined in the Securities Purchase Agreement) provided that the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects the any of the Buyers; (ii) Ordinary Shares issued upon the conversion or exercise of Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) issued prior to the Subscription Date, provided that the conversion price of any such Convertible Securities (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects any of the Buyers; (iii) the Ordinary Shares issuable upon conversion of the Notes or otherwise pursuant to the terms of the Notes; provided, that the terms of the Notes are not amended, modified or changed on or after the Subscription Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Subscription Date); (iv) the Ordinary Shares issuable upon conversion or exercise (as applicable) of the PIPE Securities or otherwise pursuant to the terms of the PIPE Securities; provided, that the terms of the PIPE Securities are not amended, modified or changed on or after the Subscription Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Subscription Date) (v) any Ordinary Shares issued or issuable in connection with any bona fide strategic or commercial alliances, acquisitions, mergers, licensing arrangements, and strategic partnerships, provided, that (x) the primary purpose of such issuance is not to raise capital as reasonably determined, and (y) the purchaser or acquirer or recipient of the securities in such issuance solely consists of either (I) the actual participants in such strategic or commercial alliance, strategic or commercial licensing arrangement or strategic or commercial partnership, (II) the actual owners of such assets or securities acquired in such acquisition or merger or (III) the shareholders, partners, employees, consultants, officers, directors or members of the foregoing Persons, in each case, which is, itself or through its subsidiaries, an operating company or an owner of an asset, in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, and (IV) the number or amount of securities issued to such Persons by the Company shall not be disproportionate to each such Person's actual participation in (or fair market value of the contribution to) such strategic or commercial alliance or strategic or commercial partnership or ownership of such assets or securities to be acquired by the Company, as applicable, and (v) solely with respect to Section 7 herein (and, for the avoidance of doubt, not with respect to Section 10 herein), the Ordinary Shares issued or issuable pursuant to any Permitted VRT solely in accordance with Section 10.

(dd) "**Fiscal Quarter**" means each of the fiscal quarters that ends on March 31, June 60 or September 30.

(ee) "**Fiscal Year**" means the fiscal year that ends on December 31.

(ff) "**Floor Price**" means $0.46 (as adjusted for share splits, share dividends, share combinations, recapitalizations and similar events), or such lower amount as the Company may elect in writing from time to time (subject to the rules and regulations of the Principal Market).

(gg) "**Fundamental Transaction**" means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Ordinary Shares be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding Ordinary Shares, (y) 50% of the outstanding Ordinary Shares calculated as if any Ordinary Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of Ordinary Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding Ordinary Shares, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire in any transaction or series or related transactions, either (x) at least 50% of the outstanding Ordinary Shares, (y) at least 50% of the outstanding Ordinary Shares calculated as if any Ordinary Shares held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such share or stock purchase agreement or other business combination were not outstanding; or (z) such number of Ordinary Shares such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding Ordinary Shares, or (v) reorganize, recapitalize or reclassify its Ordinary Shares, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding Ordinary Shares, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares not held by all such Subject Entities as of the date of this Note calculated as if any Ordinary Shares held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their Ordinary Shares without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(hh) "**Going Private Transaction**" means any transaction or series of transactions that, directly or indirectly, results in the Company and/or the Successor Entity not having Ordinary Shares or common equity, as applicable, registered under the 1934 Act and listed on an Eligible Market.

(ii) "**Group**" means a "group" as that term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder.

(jj) "**Holder Pro Rata Amount**" means, as of any date of determination, a fraction (i) the numerator of which is the original Principal amount of this Note on the Applicable Closing Date of this Note and (ii) the denominator of which is the sum of the aggregate original principal amount of all Notes issued on or prior to such date of determination based on the related Applicable Closing Date for each such Note; provided, that the unused Holder Pro Rata Amount of any Notes that have been issued, but are either not outstanding as of such date of determination (or cease to be outstanding after giving effect to the event requiring such determination) shall be allocated pro rata to any other Notes of such holder, or, if such holder does not hold any other Notes, to the other holders of Notes, pro rata.

(kk) "**IFRS**" means International Financial Reporting Standards, consistently applied.

(ll) **"Indebtedness**" shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(mm) "**Initial Closing Date"** shall have the meaning set forth in the Securities Purchase Agreement, which date is the date the Company initially issued Notes pursuant to the terms of the Securities Purchase Agreement.

(nn) "**Installment Notice Due Date**" means the 30th day following the effectiveness date of the Company's Registration Statement on Form F-1 registering Ordinary Shares issuable pursuant to the Company's equity line of credit, which was initially filed with the Securities and Exchange Commission on September 3, 2025.

(oo) "**Installment Amount**" means the sum of (A) (i) with respect to any Installment Date other than the Maturity Date, the lesser of (x) the quotient of (I) the Principal amount outstanding under this Note as of the initial Installment Date, divided by (II) the number of Installment Dates occurring hereunder (as determined as of the initial Installment Date assuming no Deferrals, Accelerations, redemptions or conversions hereunder prior to the Maturity Date) and (y) the Principal amount then outstanding under this Note as of such Installment Date, and (ii) with respect to the Installment Date that is the Maturity Date, the Principal amount then outstanding under this Note as of such Installment Date (in each case, as any such Installment Amount may be reduced pursuant to the terms of this Note, whether upon conversion, redemption or Deferral), (B) any Deferral Amount deferred pursuant to Section 8(d) and included in such Installment Amount in accordance therewith, (C) any Acceleration Amount accelerated pursuant to Section 8(e) and included in such Installment Amount in accordance therewith and (D) in each case of clauses (A) through (C) above, the sum of any accrued and unpaid Interest as of such Installment Date under this Note, if any, and accrued and unpaid Late Charges, if any, under this Note as of such Installment Date. In the event the Holder shall sell or otherwise transfer any portion of this Note, the transferee shall be allocated a pro rata portion of the each unpaid Installment Amount hereunder.

(pp) "**Installment Conversion Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the higher of (I) the highest price that the Ordinary Shares trade at on the Trading Day immediately preceding the relevant Installment Date and (II) the applicable Installment Conversion Price and (B) the difference obtained by subtracting (I) the number of shares of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Installment Conversion from (II) the quotient obtained by dividing (x) such portion of the Conversion Amount that is to be converted into Ordinary Shares in such applicable Installment Conversion, by (y) the applicable Installment Conversion Price without giving effect to clause (x) of such definition.

(qq) "**Installment Conversion Price**" means, with respect to a particular date of determination, the lower of (i) the Conversion Price then in effect, and (ii) the greater of (x) the Floor Price and (y) 90% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately prior to the applicable Installment Date. All such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period.

(rr) "**Installment Date**" means (i) the twenty-first (21st) Trading Day after the Initial Installment Notice Due Date, (ii) then, (x) if the first Trading Day of the calendar month immediately following the initial Installment Date occurs less than twenty (20) Trading Days after the initial Installment Date, the first Trading Day of the second calendar month immediately following the initial Installment Date or (y) otherwise, the first Trading Day of the calendar month immediately following the initial Installment Date, (iii) thereafter, the first Trading Day of the calendar month immediately following the previous Installment Date until the Maturity Date, and (iv) the Maturity Date.

(ss) "**Intellectual Property Rights**" means rights or licenses to use all applicable trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor with respect to the Company and/or its Subsidiaries.

(tt) "**Investment**" means any beneficial ownership (including share, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person or the purchase of any assets of another Person for greater than the fair market value of such assets.

(uu) "**Maturity Date**" shall mean [ ], 2027[1]; provided, however, the Maturity Date may be extended at the option of the Holder (i) in the event that, and for so long as, an Event of Default shall have occurred and be continuing or any event shall have occurred and be continuing that with the passage of time and the failure to cure would result in an Event of Default or (ii) through the date that is twenty (20) Business Days after the consummation of a Fundamental Transaction (or, if a Going Private Transaction, at the time of the closing of such Going Private Transaction) in the event that a Fundamental Transaction is publicly announced or a Change of Control Notice is delivered prior to the Maturity Date, provided further that if a Holder elects to convert some or all of this Note pursuant to Section 3 hereof, and the Conversion Amount would be limited pursuant to Section 3(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of this Note.

(vv) "**Nasdaq Minimum Price**" means, as of any time of determination, the lower of: (i) the closing price (as reflected on Nasdaq.com) of the Ordinary Shares as of the Trading Day ended immediately preceding such time of determination; or (ii) the average closing price of the Ordinary Shares (as reflected on Nasdaq.com) for the five trading days ending on, and including as of the Trading Day ended immediately preceding such time of determination.

1 Insert 24 month anniversary of Issuance Date.

(ww) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(xx) "**Ordinary Shares**" means (i) the Company's Ordinary Shares, no par value, and (ii) any share capital into which such Ordinary Shares shall have been changed or any share capital resulting from a reclassification of such Ordinary Shares.

(yy) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common equity 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.

(zz) "**Permitted Indebtedness**" means (i) Indebtedness evidenced by this Note, the Other Notes and the Exchange Notes (ii) Indebtedness set forth on Schedule 3(s) to the Securities Purchase Agreement, as in effect as of the Subscription Date, (iii) Indebtedness secured by Permitted Liens or unsecured but as described in clauses (iv) and (v) of the definition of Permitted Liens, (iv) Liens with respect to Permitted Senior Indebtedness, (v) at any time after the Restricted Period (as defined in the Securities Purchase Agreement, Permitted Subordinated Indebtedness, and (vi) at any time after the Restricted Period, unsecured Indebtedness incurred following the date hereof in the aggregate amount of $10,000,000.

(aaa) "**Permitted Liens**" means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with IFRS, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or Indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, or (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, in either case, with respect to Indebtedness in an aggregate amount not to exceed $500,000, (v) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clause (iv) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced does not increase, (vi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods, (vii) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 4(a)(xii), (viii) Liens with respect to the Notes and the Other Notes, as applicable, (ix) Liens with respect to Permitted Senior Indebtedness and (x) Liens set forth on Schedule 3(r)(iv) and 3(w) to the Securities Purchase Agreement.

(bbb) "**Permitted Senior Indebtedness**" means (x) the secured Indebtedness set forth in Schedule 34(bbb) attached hereto as in effect as of the date hereof, in an aggregate amount not to exceed $25,000,000 and (y) Indebtedness incurred following the date hereof in the aggregate amount of $5,000,000.

(ccc) "**Permitted Subordinated Indebtedness**" means Indebtedness (other than Convertible Securities) incurred by the Company that is made expressly subordinate in right of payment to the Indebtedness evidenced by this Note, as reflected in a written agreement reasonably acceptable to the Required Holders, which does not include any equity or equity-linked features or the issuance or transfer of any securities (including, with limitation, any Options or the right to convert, exchange or otherwise satisfy the payment of such Indebtedness with any equity security of the Company or any of its Subsidiaries).

(ddd) "**Permitted VRT**" means an "equity line of credit" offering to an Investor (a "**Permitted ELOC**") and (y) an "at the market" offering in an arms-length transaction with a bona fide broker-dealer (each, a "**Permitted ATM**")

(eee) "**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.

(fff) "**PIPE Securities Purchase Agreements**" means those certain Securities Purchase Agreements, dated June 30, 2205 and August 27, 2205, respectively, by and among the Company and the investors party thereto, pursuant to which the Company issued (and has the right to issue in the future) certain subordinated convertible notes (the "**PIPE Notes**") and warrants to purchase Ordinary Shares (the "**PIPE Warrants**", and together with the PIPE Notes, the "**PIPE Securities**").

(ggg) "**Price Failure**" means, with respect to a particular date of determination, the VWAP of the Ordinary Shares on any Trading Day during the twenty (20) Trading Day period ending on the Trading Day immediately preceding such date of determination fails to exceed $1.00 (as adjusted for share splits, share dividends, share combinations, recapitalizations or other similar transactions occurring after the Subscription Date). All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during any such measuring period. Notwithstanding the foregoing, at any time, and for any period of time, as applicable, the Holder may lower any dollar threshold specified in this definition to any lower dollar threshold, in each case, as specified by the Holder in a written notice to the Company.

(hhh) "**Principal Market**" means the Nasdaq Capital Market.

(iii) "**Redemption Notices**" means, collectively, the Event of Default Redemption Notices, the Installment Notices with respect to any Installment Redemption, the Company Optional Redemption Notices, the Equity Line Transaction Optional Redemption Notices, and the Change of Control Redemption Notices, and each of the foregoing, individually, a "**Redemption Notice**."

(jjj) "**Redemption Premium**" means 120%.

(kkk) "**Redemption Prices**" means, collectively, Event of Default Redemption Prices, the Installment Redemption Prices, the Change of Control Redemption Prices, the Equity Line Optional Redemption Prices, and the Company Optional Redemption Prices, and each of the foregoing, individually, a "**Redemption Price**."

(lll) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the Initial Closing Date, by and among the Company and the initial holders of the Notes relating to, among other things, the registration of the resale of the Ordinary Shares issuable upon conversion of the Notes or otherwise pursuant to the terms of the Notes and exercise of the Warrants, as may be amended from time to time.

(mmm)"**SEC**" means the United States Securities and Exchange Commission or the successor thereto.

(nnn) "**Securities Purchase Agreement**" means that certain securities purchase agreement, dated as of the Subscription Date, by and among the Company and the initial holders of the Notes pursuant to which the Company issued the Notes and the Warrants, as may be amended from time to time.

(ooo) "**Significant Subsidiary**" shall have the meaning set forth in Rule 1-02 of Regulation S-X.

(ppp) **"Subject Entity**" means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(qqq) **"Subscription Date"** means August 27, 2025.

(rrr) "**Subsidiaries**" shall have the meaning as set forth in the Securities Purchase Agreement.

(sss) "**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.

(ttt) "**Trading Day**" means, as applicable, (x) with respect to all price or trading volume determinations relating to the Ordinary Shares, any day on which the Ordinary Shares are 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 are then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares are 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.

(uuu) "**Underlying Securities**" means Ordinary Shares issuable upon conversion of Notes.

(vvv) "**Volume Failure**" means, with respect to a particular date of determination, the aggregate daily dollar trading volume (as reported on Bloomberg) of the Ordinary Shares on the Principal Market on any Trading Day during the twenty (20) Trading Day period ending on the Trading Day immediately preceding such date of determination (such period, the "**Volume Failure Measuring Period**"), is less than $50,000. Notwithstanding the foregoing, at any time, and for any period of time, as applicable, the Holder may lower any dollar threshold specified in this definition to any lower dollar threshold, in each case, as specified by the Holder in a written notice to the Company. (www) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) 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 a.m., New York time, and ending at 4:00 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 highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). If the 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 26. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

(xxx) "**Warrants**" shall have the meaning as set forth in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

35. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Note, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:00 am, New York city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information on a Report of Foreign Private Issuer on Form 6-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries. Nothing contained in this Section 35 shall limit any obligations of the Company, or any rights of the Holder, under Section 4(i) of the Securities Purchase Agreement.

36. ABSENCE OF TRADING AND DISCLOSURE RESTRICTIONS. The Company acknowledges and agrees that the Holder is not a fiduciary or agent of the Company and that the Holder shall have no obligation to (a) maintain the confidentiality of any information provided by the Company or (b) refrain from trading any securities while in possession of such information in the absence of a written non-disclosure agreement signed by an officer of the Holder that explicitly provides for such confidentiality and trading restrictions. In the absence of such an executed, written non-disclosure agreement, the Company acknowledges that the Holder may freely trade in any securities issued by the Company, may possess and use any information provided by the Company in connection with such trading activity, and may disclose any such information to any third party.

37. WITHHOLDING TAXES.

(a) Any and all payments made by or on behalf of the Company or any other person under this Note or any other Transaction Document (including any issuance of shares or other securities, or the delivery of any other property, pursuant to this Note or any other Transaction Document) shall be made free and clear of, and without deduction or withholding for or on account of, any taxes; provided, that if the Company or such other person shall be required by applicable law to deduct or withhold any taxes from such payments (such taxes required to be deducted or withheld, "**Indemnified Taxes**"), then the Company or such other Person shall (a) pay the Holder such additional amounts as may be necessary so that after making or allowing for all required withholdings and deductions for taxes (including withholdings and deductions applicable to additional amounts payable under this section), the Holder has received or receives an amount equal to that which the Holder would have had or received had no such withholdings or deductions been required (and, for greater certainty, where the payment is the issuance of shares or other securities of the Company or any other Person, or any other property, such that the Holder receives such shares, securities or other property as if no withholding or deduction for taxes had been imposed, and such that the Company or such other Person fully bears any such taxes); (b) timely remit such taxes directly to the relevant governmental authority; and (c) furnish to the Holder, within a reasonable time, a copy of a receipt issued by such governmental authority evidencing such remittance, a copy of the return reporting such remittance or other evidence of such remittance reasonably satisfactory to the Holder. For greater certainty, for the purposes of this Section 37, the Holder shall include any successor of the Holder and any transferee and assignee in respect of the Holder in respect of this Note or any of the other Transaction Documents.

(b) The Company shall indemnify and hold harmless the Holder within fifteen (15) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 37), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant governmental authority. A certificate setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Company by the Holder shall be conclusive absent manifest error.

(c) Notwithstanding anything to the contrary in this Note or any other Transaction Document, the provisions of this Section 37 shall survive the conversion, redemption, prepayment, termination or cancellation of this Note or any other Transaction Document, as applicable, and any transfer by a Holder of this Note or its rights under any Transaction Document, and will apply, *mutatis mutandis*, to any Successor Entity to the Company or any of its Subsidiaries.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD

By: _____

Name:
Title:

EXHIBIT I

HUB CYBER SECURITY LTD CONVERSION NOTICE

Reference is made to the Subordinated Convertible Note (the "**Note**") issued to the undersigned by Hub Cyber Security Ltd, a company incorporated under the laws of the State of Israel (the "**Company**"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into Ordinary Shares, no par value (the "**Ordinary Shares**"), of the Company, as of the date specified below. Capitalized terms not defined herein shall have the meaning as set forth in the Note.

Date of Conversion: _____

Aggregate Principal to be converted: _____

Aggregate accrued and unpaid Interest and accrued and unpaid Late Charges with respect to such portion of the Aggregate Principal and such Aggregate Interest to be converted: _____

AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Number of Ordinary Shares to be issued: _____

Installment Amount(s) to be reduced (and corresponding Installment Date(s)) and amount of reduction: _____

☐ If this Conversion Notice is being delivered with respect to an Alternate Conversion, check here if Holder is electing to use the following Alternate Conversion Price: _____

☐ If this Conversion Notice is being delivered with respect to an Acceleration, check here if Holder is electing to use _____ as the Acceleration Conversion Price related to the following Installment Date: _____

Notwithstanding anything to the contrary contained herein, this Conversion Notice shall constitute a representation by the Holder of the Note submitting this Conversion Notice that after giving effect to the conversion provided for in this Conversion Notice, such Holder (together with its affiliates) will not have holdings or beneficial ownership (together with the holdings or beneficial ownership of such Person's affiliates) of a number of Ordinary Shares which exceeds the Maximum Percentage (as defined in the Note) of the total outstanding Ordinary Shares of the Company as determined pursuant to the provisions of Section 3(d) of the Note.

Please issue the Ordinary Shares into which the Note is being converted to Holder, or for its benefit, as follows:

☐ Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to: _____

_____

_____

☐ Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant: _____

DTC Number: _____

Account Number: _____

Date: _____ , _____

_____

Name of Registered Holder

By: _____

Name:
Title:

Tax ID: _____

E-mail Address:

Exhibit II ACKNOWLEDGMENT

The Company hereby (a) acknowledges this Conversion Notice, (b) certifies that the above indicated number of Ordinary Shares[are][are not] eligible to be resold by the Holder either (i) pursuant to Rule 144 (subject to the Holder's execution and delivery to the Company of a customary 144 representation letter) or (ii) an effective and available registration statement and (c) 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:

SCHEDULE I

[Insert Schedule of Additional Buyers]

SCHEDULE OF ADDITIONAL BUYERS

(1)	(2)	(3)	(4)	(5)		(6)
Buyer	**Mailing Address and E-mail Address**	**Aggregate Principal Amount of Additional Notes**	**Aggregate Number of Additional Warrant Shares**	**Cash Consideration of Additional Purchase Price**	**Amount of Outstanding Note Cancelation of Additional Purchase Price**	**Legal Representative's Mailing Address and E-mail Address**
Keystone Capital Partners, LLC	139 Fulton Street Suite 412 New York, NY 10038 Attention: Fredric Zaino E-Mail: fz@keystone-cp.com	$3,267,968.75	567,356	$50,000.00	$2,914,062.50*	Kelley Drye & Warren LLP 3 World Trade Center 175 Greenwich Street New York, NY 10007 Telephone: (212) 808- 7540 Attention: Michael A. Adelstein, Esq.
Seven Knots, LLC	415 N Benton Avenue Helena, MT 59601 Email: mjw@7-knots.com	$2,714,531.25	471,273	$50,000.00	$2,410,937.50*	Kelley Drye & Warren LLP 3 World Trade Center 175 Greenwich Street New York, NY 10007 Telephone: (212) 808- 7540 Attention: Michael A. Adelstein, Esq.

(1)	(2)	(3)	(4)	(5)		(6)
Buyer	**Mailing Address and E-mail Address**	**Aggregate Principal Amount of Additional Notes**	**Aggregate Number of Additional Warrant Shares**	**Cash Consideration of Additional Purchase Price**	**Amount of Outstanding Note Cancelation of Additional Purchase Price**	**Legal Representative's Mailing Address and E-mail Address**
Pinz Capital Special Opportunities Fund LP	c/o Walkers Corporate Center 27 Hospital Road Georgetown, Grand Cayman KY1-9008 Cayman Islands With a copy to: Pinz Capital Management 150 East 52nd Street, 29th Floor New York, NY 10022 Email: Mpinz@pinzcap.com	$900,937.50	156,413	$25,000.00	$790,625.00*	N/A
First Fire Global Opportunities Fund LLC	1040 1st Avenue, Suite 190 New York, NY 10022 Email: eli@firstfirecap.com	$503,125.00	87,348	$100,000.00	$343,750.00*	N/A
Robert Welner	7 Rose Avenue Great Neck, NY 11021 Email: robertwelner@aol.com	$182,500.00	31,684	$25,000.00	$137,500.00*	N/A
Clover Crest Bahamas Limited	Templeton Building, West Bay Street Nassau, Bahamas Email: jordan.spring1@gmail.com	$2,762,500.00	479,601	$1,000,000.00	$1,375,000.00*	N/A

(1)	(2)	(3)	(4)	(5)		(6)
Buyer	**Mailing Address and E-mail Address**	**Aggregate Principal Amount of Additional Notes**	**Aggregate Number of Additional Warrant Shares**	**Cash Consideration of Additional Purchase Price**	**Amount of Outstanding Note Cancelation of Additional Purchase Price**	**Legal Representative's Mailing Address and E-mail Address**
Jim Fallon	137 West 83rd Street, Apt 5W New York, NY 10024 Email: JimFallon@gmail.com	$938,750.00	162,977	$25,000.00	$825,000.00*	N/A
J.J. Astor & Co.	J.J. Astor & Co. 26 S Rio Grande St #2072 Salt Lake City, Utah 84101 Attention: Michael Pope E-Mail: michael.p@jjastor.com	$3,281,250.00	569,661	$1,250,000.00	$1,562,500.00*	N/A
Agile Capital Funding LLC	104 E 25th St 10th Floor, New York, NY 10010. E-Mail: aaron@agilecapitalfunding.com	$937,500.00	162,760	-	$750,000.00**	N/A
MMCap International Inc. SPC	161 Bay Street TD Canada Trust Tower Suite 2240 Brookfield Place Toronto, ON M5J 2S1 Email: hugh@mmcap.ky	$5,625,000.00	976,563	$4,500,000.00	-	N/A
L5 Capital Inc.	4177 Rockbridge Road West Vancouver, BC V7W1A3 email: mlustig.l5capital@gmail.com	$312,500.00	54,253	$250,000.00	-	N/A
TOTAL	-	$21,426,562.50	3,719,889	$7,275,000.00	$11,109,375.00	-
* Additional Purchase price to be paid in part with the cancellation in full of certain outstanding notes issued to such Buyer by the Company (on a dollar-for-dollar basis).						
** Additional Purchase price to be paid in full with the partial cancellation of certain outstanding notes issued to such Buyer by the Company (on a dollar-for-dollar basis).						

Exhibit 4.79

AMENDMENT NO. 2 TO SECURITIES PURCHASE AGREEMENT

THIS AMENDMENT NO. 2 TO SECURITIES PURCHASE AGREEMENT (this **"Amendment")** is dated as of December 31, 2025, by and among Hub Cyber Security Ltd., a corporation organized under the laws of the State of lsrael (the **"Company")** and the undersigned (the **"Investor"),** and amends that certain Securities Purchase Agreement, dated as of August 27, 2025, by and among the Company and each of the investors listed on the Schedule of Buyers attached thereto (as amended by that certain Amendment No. 1 to Securities Purchase Agreement, dated October 15, 2025, the **"Securities Purchase Agreement").** Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement.

WHEREAS, the Company and the Investor desire to amend certain provisions of the Securities Purchase Agreement pursuant to Section 9(e) thereof.

WHEREAS, pursuant to Section 9(e) of the Securities Purchase Agreement, the Company and the Required Holder may amend the terms of the Securities Purchase Agreement, which amendment shall be binding on all Buyers and holders of Securities.

NOW THEREFORE, in consideration of the covenants and agreements contained therein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor, intending to be legally bound, hereto agree as follows:

1. Amendments. As of the Effective Time (as defined below):

(a) The reference to "$35,000,000" in Recital B shall be replaced with "$47,250,000".

(b) Section 2 of the Securities Purchase Agreement is hereby amended to add the following:

"In addition, each Buyer that i not a **"U.S. Person"** (as defined in Rule 902 of Regulation Sunder the 1933 Act **("Regulation S")),** as set forth in the Schedule of Buyers (as defined below), hereby represents and warrants to the Company that such Buyer: (i) is acquiring the Securities outside the United States in an "offshore transaction" meeting the requirements of Regulation S under the 1933 Act **("Regulation S");** (ii) is not acquiring, has not offered, and will not offer prior to the expiration of the applicable 40-day distribution compliance period pursuant to Rule 903 of Regulation S, the Securities for the account or benefit of any U.S. Person (as defined in Rule 902 of Regulation S); (iii) did not become aware of the Company or its securities through any form of "directed selling efforts" (as defined in Rule 902 of Regulation S) in the United States, nor will any offers by means of any directed selling efforts in the United States be made by the New Buyer or any of its representatives in connection with the offer and sale of the Securities; (iv) was outside the United States on the Effective Date and will be outside the United States on each date of conversion of the Additional Note or exercise of the Additional Warrant; (v) is not acquiring the Securities in a transaction or part of series of transactions that, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the Securities Act; (vi) is neither a U.S. Person nor a Distributor (as defined in Rule 902 of Regulation S), (vii) is the sole beneficial owner of the Securities and has not pre-arranged any sale with a purchaser in the United States; and (viii) is eligible to acquire the Securities pursuant to an exemption from the prospectus and registration requirements of the applicable securities laws of its jurisdiction (including country, state and/or province)."

(c) The Schedule of Buyers to the Securities Purchase Agreement is hereby supplemented by **Schedule I** (the **"Schedule of Buyers")** attached hereto.

(d) The definition of "Transaction Documents" in the Securities Purchase Agreement is hereby amended to include this Amendment and the Joinder (as defined below).

2. New Buyers; Joinder. As of the Effective Time, certain investors that are not U.S. Persons each desire to become a "Buyer" under the Securities Purchase Agreement (each, a **"New Buyer")** with all of the rights and obligations of a Buyer under the Securities Purchase Agreement and the other Transaction Documents by executing and delivering to the Company a joinder substantially in the form attached hereto as **Exhibit A** (the **"Joinder")** and a signature page to each of the Securities Purchase Agreement and Registration Rights Agreement provided, however, that the form of Note and the form of Warrant to be issued to the New Buyers shall be adjusted for a Regulation S offering, substantially in the forms attached hereto as **Exhibit B and Exhibit C).** Effective as of the Effective Time, the Investor hereby consents to the amendment to each of the Securities Purchase Agreement and the Registration Rights Agreement to attach the signature page of the New Buyers thereto.

3. Foreign Buyers. Any existing Buyers that are not U.S. Persons that participate in an Additional Closing on or after the date hereof shall be issued Notes and Warrants substantially in the forms attached hereto as **Exhibit** B and **Exhibit C.** In addition, with respect to any Buyers (including New Buyers) that are not U.S. Persons, references in the Amended Securities Purchase Agreement to Rule 144 or the holding period thereunder shall be deemed to refer (as appropriate), in respect of the New Buyer's Securities, to Regulation Sor the holding period thereunder.

4. Acknowledgement; Ratification of Obligations. The Company and the Investor hereby confirm and agree that, except as set forth in herein, (i) the Securities Purchase Agreement and each other Transaction Documents are, and shall continue to be, in full force and effect, constitute legal and binding obligations of all parties thereto in accordance with its terms and are hereby ratified and confirmed in all respects, and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as an amendment of any right, power or remedy of the Company or the Investor under any Transaction Document, nor constitute an amendment of any provision of any Transaction Document. This Amendment forms an integral and inseparable part of the Securities Purchase Agreement.

5. No Material Non-Public Information. Nothing in this Amendment constitutes material non-public information and the Company has previously disclosed all material, non-public information (if any) provided to the Investor by the Company or any of their respective officers, directors employees or agents in connection with the transactions contemplated by hereby. The Company acknowledges and agrees that no confidentiality or similar obligations under any agreement, whether written or oral, between the Company, or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Investor or any of its affiliates on the other hand, relating to the transactions contemplated hereby, exists as of the date hereof. Notwithstanding anything contained in this Amendment to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that the Investor shall not have (unless expressly agreed to by the Investor after the date hereof in a written definitive and binding agreement executed by the Company and the Investor), any duty of confidentiality with respect to any material, non-public information regarding the Company.

6. Independent Nature of Investor's Obligations and Rights. The obligations of the Investor under this Amendment or any other Transaction Document are several and not joint with the obligations of any other Buyer, and the Investor shall not be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by the Investor pursuant hereto, shall be deemed to constitute the Investor and other Buyers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investor and other Buyers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Amendment, or any other Transaction Document and the Company acknowledges that the Investor and the other Buyers are not acting in concert or as a group with respect to such obligations or the transactions contemplated by this Amendment, any other amendment and any other Transaction Document. The Company and the Investor confirm that the Investor has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. The Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of tlris Amendment, any other amendment or out of any other Transaction Documents, and it shall not be necessary for any other Buyers to be joined as an additional party in any proceeding for such purpose.

7. Effectiveness. Section 1 of th.is Amendment shall become effective upon the later of the due execution and delivery by the Company and the Investor of this Amendment (the **"Effective Time").**

8. References. As of the Effective Time all references to the "Agreement" (including "hereof," "herein," "hereunder," "hereby" and "this Agreement'') in the Securities Purchase Agreement and the other Transaction Documents shall refer to the Securities Purchase Agreement as amended by this Amendment. Notwithstanding the foregoing, references to the date of the Securities Purchase Agreement (as amended hereby) and references in the Securities Purchase Agreement to "the date hereof," "the date of this Agreement" and terms of similar import shall in all instances continue to refer to August 27 2025.

9. Miscellaneous. Section 9 of the Securities Purchase Agreement are hereby incorporated by reference herein, *mutatis mutandis.*

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have caused their respective signature page to this Amendment to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz /s/ Lior Davidsohn
Name: Noah Hershcoviz and Lior Davidsohn
Title: CEO and Acting CFO

IN WITNESS WHEREOF, the parties hereto have caused their respective signature page to this **Amendment** to be duly executed as of the date first written above.

INVESTOR:

KEYSTONE CAPITAL PARTNERS, LLC

By: /s/ Fredrik Zaino
Name: Fredrik Zaino
Title: CIO

SCHEDULE I

SCHEDULE OF ADDITIONAL BUYERS

(1)	(2)	(3)	(4)	(5)	(6)
Buyer	**Mailing Address and E-mail Address**	**Aggregate Principal Amount of Additional Notes**	**Aggregate Number of Additional Warrant Shares**	**Additional Purchase Price**	**Status of Buyer (U.S. or Non-U.S. Person)**
Mishtalem Pty Ltd.	Email: ma@eveq.com	$312,500	54,253	$250,000	Non-U.S.
Clover Crest Bahamas Limited	Templeton Building, West Bay Street Nassau, Bahamas Email: jordan.spring l@gmail.com	$625,000	108,507	$500,000	Non-U.S.
Claymore Capital Ltd.	Claymore Capital Pty Ltd Level 27 25 Bligh Street Sydney NSW 2000 Australia	$1,250,000	217,014	$1,000,000	Non-U.S.
Total		$2,187,500	379,774	$1,750,000	

EXHIBIT A JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the **"Joinder")** dated as of [ ] (the **"Effective Date"),** between Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the **"Company")** and [NEW BUYER] (the **"New Buyer").**

1. Reference is made to (x) that certain Securities Purchase Agreement, dated as of August 27, 2025 (as amended by that certain Amendment No. 1 to Securities Purchase Agreement, dated October 15, 2025, the **"Securities Purchase Agreement"),** by and among the Company and the investors listed on the signature pages thereto and (y) Amendment No. 2 to the Securities Purchase Agreement, dated December 31, 2025 (the **"Amendment No. 2",** and together with the Securities Purchase Agreement, as amended thereby, the **"Amended Securities Purchase Agreement").** Capitalized terms not defined herein shall have the meaning as set forth in the Amended Securities Purchase Agreement.

2. The New Buyer desires to part1c1pate in an Additional Closing (the **"New Additional Closing")** to acquire an Additional Note and related Additional Warrant on the date hereof for a purchase price of $[●] (the **"Purchase Price")** payable by wire transfer of immediately available funds to an account designated by the Company.

3. On or prior to the date hereof, the Company has satisfied (or the New Buyer waived) such closing conditions set forth in Section 7(b) of the Amended Securities Purchase Agreement with respect to the New Additional Closing.

4. The parties hereto agree that, effective upon the date hereof, (a) the New Additional Closing shall occur, and (b) the New Buyer (i) shall be deemed a "Buyer" under the Amended Securities Purchase Agreement, as such term is defined therein, (ii) shall be deemed a "Buyer" under the Registration Rights Agreement (as defined in the Amended Securities Purchase Agreement), (iii) shall be deemed a "Holder" under the terms of the Irrevocable Transfer Agent Instructions, (iv) shall be entitled to all of the applicable rights and bound by all of the applicable obligations of each of the Transaction Documents (as defined in the Amended Securities Purchase Agreement).

5. The Company hereby represents and warrants to the New Holder that each and every representation and warranty of the Company set forth in the Amended Securities Purchase Agreement and in each of the other Transaction Documents is true and correct in all material respects (except where such representation or warranty is qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) as of the date when made and as of the date hereof 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 specific date) and the Company has performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the date hereof.

6. The New Buyer hereby (a) acknowledges that the representations and warranties of the New Buyer (in its capacity as a "Buyer" under the Amended Securities Purchase Agreement) are true and correct in all material respects as of the date hereof (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and the New Buyer has performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Amended Securities Purchase Agreement to be performed satisfied or complied with by the New Buyer at or prior to the date hereof (other than the wire of the applicable Additional Purchase Price to the Company, which shall be released by no later than the first (1s Trading Day after the time of execution of this Joinder), (b) authorizes any officer or other authorized representative of the Company to attach the signature pages to the Amended Securities Purchase Agreement and the Registration Rights Agreement attached hereto as **Exhibit A** and **Exhibit B,** respectively, to the Amended Securities Purchase Agreement and the Registration Rights Agreement, and (c) agrees that it will perform in accordance with their terms all of the agreements and obligations which by the terms of the Amended Securities Purchase Agreement and the Registration Rights Agreement are required to be performed by it as a Buyer and, as of the Effective Date, the terms of the Amended Securities Purchase Agreement and the Registration Rights Agreement shall be the binding obligations of the New Buyer.

7. The parties hereto acknowledge and agree that within one (1) Business Day of execution of this Joinder, the Schedule of Buyers attached to the Amended Securities Purchase Agreement shall be updated after the date hereof to reflect the New Additional Closing.

8. Each of the parties hereto represent and warrant that it is duly authorized to enter into this Joinder.

9. The Company and the Assigning Lead Buyer hereby confirm and agree that (i) the Amended Securities Purchase Agreement and each other Transaction Documents are, and shall continue to be, in full force and effect, constitute legal and binding obligations of all parties thereto in accordance with its terms and are hereby ratified and confirmed in all respects, and (ii) the execution, delivery and effectiveness of this Joinder shall not operate as an amendment of any right, power or remedy of the Company or the Assigning Lead Buyer under any Transaction Document, nor constitute an amendment of any provision of any Transaction Document. This Joinder forms an integral and inseparable part of the Amended Securities Purchase Agreement.

10. Within one (1) Business Day of the date of this Joinder, the Company shall (a) duly execute and deliver to the New Buyer the Additional Note, and (b) notify the Transfer Agent that the New Buyer is a "Holder" of the Additional Note and a "Holder" under the terms of the Irrevocable Transfer Agent Instructions, and (c) advise the Transfer Agent to immediately honor, subject to the terms and conditions of the Transfer Agent Instructions, all of the New Buyer's Conversion Notices with respect to Additional Note that has been paid for by the New Buyer.

11. Each party to this Joinder shall bear its own expenses in connection with the structuring, documentation, negotiation and closing of the transactions contemplated hereby, except that the Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, transfer agent fees and Depository Trust *Company* fees relating to or arising out of the transactions contemplated hereby.

12. Before 5:30 p.m., New York City time, on the fourth Business Day following the date of this Joinder, the Company shall file a Report of Foreign 1ssuer on Form 6-K with the SEC describing the terms of the transactions contemplated by this Joinder in the form required by the Exchange Act and attaching the form of this Joinder as an exhibit to such filing (including all attachments, the "**6-K Filing**")**.** From and after the filing of the 6-K Filing with the SEC, neither the Assigning Lead Buyer, nor the New Buyer (collectively, the "**Buyer Parties**") shall be in possession of any material, nonpublic information received from the Company, any of its Subsidiaries or any of their respective officers, directors, employees or agents, that is not disclosed *in* the 6-K Filing. In addition upon the filing of the 6-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement with respect to the transactions contemplated hereby or as otherwise disclosed in the 6-K Filing, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any Buyer Party or any of its affiliates, on the other hand, shall terminate. Neither the Company, its Subsidiaries nor any Buyer Party 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 any Buyer Party, to issue a press release or make such other public disclosure with respect to such transactions (i) in substantial conformity with the 6-K Filing and contemporaneously therewith or (ii) as is required by applicable law and regulations (provided that in the case of clause (i) any such applicable Buyer Party 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 any applicable Buyer Party (which may be granted or withheld in such Buyer Party's sole discretion), the Company shall not (and shall cause each of its Subsidiaries and affiliates to not) disclose the name of the such Buyer Party in any filing, announcement release or otherwise.

13. The obligations of each Buyer Party under this Joinder and/or any other Transaction Document are several and not joint with the obligations of the other Buyer Party, and no Buyer Party shall not be responsible in any way for the performance of the obligations of any other Buyer Party under any Transaction Document and/or this Joinder. Nothing contained herein or in any other Transaction Document, and no action taken by any Buyer Party pursuant hereto shall be deemed to -constitute the Buyer Parties as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Buyer Parties are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Joinder or any other Transaction Document and the Company acknowledges that the Buyer Parties are not acting in concert or as a group with respect to such obligations or the transactions contemplated by this Joinder and/or any other Transaction Document. The Company and the Buyer Parties confirm that each Buyer Party has independently participated in the negotiation of the transactions contemplated hereby with the advice of its own counsel and advisors. Each Buyer Party shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Joinder and/or out of any other Transaction Documents, and it shall not be necessary for any other Buyer Party to be joined as an additional party in any proceeding for such purpose.

14. Section 9 of the Amended Securities Purchase Agreement is hereby incorporated by reference herein, *mutatis mutandis*.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HUB CYBER SECURITY LTD

By: /s/ Noah Hershcoviz
Name: Noah Hershcoviz
Title: CEO

By: /s/ Lior Davidsohn
Name: Lior Davidsohn
Title: Interim CFO

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to be executed by their respective officers thereunto duly authorized, as of the date first above written.

[NAME OF NEW BUYER]

By: _____
Name:
Title:

Aggregate Principal Amount of Additional Note to be Purchased:

$[●]

Aggregate Number of Additional Warrant Shares Exercisable under Additional Warrant (without regard to any limitations on exercise therein) to be Purchased:

[●] Warrant Shares

Additional Purchase Price:

$[●]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Share Purchase Agreement to be duly executed as of the date first written above.

BUYER:

CLOVER CREST BAHAMAS LIMITED

By: /s/ Eric Strachan
Name: Eric Strachan
Title: Director

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date frrst written above.

BUYER:

By:
Name:
Title:

EXHIBIT B

Form of Note for Non-U.S. Buyers

EXHIBIT C

Form of Warrant for Non-U.S. Buyers

Exhibit 4.87

EXECUTION COPY

MASTER EXCHANGE AGREEMENT

MASTER EXCHANGE AGREEMENT (this "**Agreement**"), dated as of September 17, 2025, by and among Hub Cyber Security Ltd., a corporation organized under the laws of the State of Israel (the "**Company**") and Seven Knots LLC (the "**Investor**").

WHEREAS:

A. The Company and the Investor are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 3(a)(9) of the Securities Act of 1933, as amended (the "**Securities Act**"), as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act.

B. The Company has authorized a new series of senior convertible notes of the Company, substantially in the form attached hereto as **Exhibit A** (the "**New Notes**", and the Ordinary Shares (as defined below) issuable upon conversion thereof, the "**New Conversion Shares**"), to be issued to the Investor pursuant to this Agreement.

C. Reference is hereby made to (i) that certain Securities Purchase Agreement, dated as of March 12, 2024, as amended on April 3, 2024, June 26, 2024, November 5, 2024, February 17, 2025 and August 16, 2025 (as amended, modified or waived prior to the date hereof, the "**Gottdiener Securities Purchase Agreement**"), by and between the Company, and Tamas Gottdiener ("**Gottdiener**"), pursuant to which Gottdiener has loaned the Company an aggregate of $11,000,000 (the "**Original Loan**") in exchange for convertible notes of the Company dated March 12, 2024, April 3, 2024, June 26, 2024 and November 5, 2024 (collectively, the "**Original Gottdiener Notes**"), (ii) that certain Fifth Amendment to Gottdiener Securities Purchase Agreement, dated as of August 16, 2025 between Seven Knots LLC and Gottdiener, pursuant to which Seven Knots LLC agreed to purchase the Gottdiener Notes and Gottdiener agreed to extend the maturity date of the Gottdiener Notes to as February 16, 2026, and (iii) that certain amended and restated senior convertible note, issued by the Company to A.G.P./Alliance Global Partners ("**AGP**") on November 22, 2024 (the "**AGP Note**").

D. In accordance with the terms of the Gottdiener Securities Purchase Agreement, (i) on April 30, 2025, the Company issued additional convertible notes of the Company to Gottdiener with respect to lost principal and interest with respect to certain Original Gottdiener Notes that had been previously converted in whole or in part and (ii) on August 20, 2025, the Company issued an additional convertible note of the Company to the Investor in the principal amount equal to the principal amount of an Original Gottdiener Note that was converted prior to such date (collectively, the "**Additional Gottdiener Notes**", and together with the Original Gottdiener Notes, the "**Gottdiener Notes**").

E. Pursuant to that certain securities purchase agreement, by and between the AGP and the Investor, the Investor agreed to purchase the AGP Note (the "**AGP Purchase Agreement**"), subject to the satisfaction of certain conditions therein, including the execution and delivery by the Company of this Agreement.

F. The Company desires that the Investor acquire, or agree to acquire in installments, as applicable (collectively, the "**Acquisitions**") such portion of the Gottdiener Notes and the AGP Note, as applicable, as set forth on **Schedule I** attached hereto (collectively, the "**Existing Notes**", and all, or any part, of such Existing Notes so acquired by the Investor, prior to or after the date hereof, each, an "**Acquired Note**", and the aggregate amount outstanding under any such Acquired Note at the time of consummation of any such applicable Acquisition (or the date hereof with respect to any Acquired Note held by the Investor as of the date hereof, if any), each, an "**Acquired Note Amount**").

G. As a condition to each Acquisition, the Company and the Investor desire to enter into this Agreement, pursuant to which, among other things, the Company and the Investor shall exchange, from time to time, all Acquired Notes held by the Investor as of the date hereof, if any (as specified on the signature page of the Investor attached hereto), and, immediately following each Acquisition of any Existing Note, the related Acquired Note Amount of such Acquired Note with respect thereto, as applicable, for such aggregate principal amount of New Notes calculated at the exchange rate specified in **Schedule I** attached hereto in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act (each, an "**Exchange**", and collectively, the "**Exchanges**").

H. The New Notes and the New Conversion Shares are referred to herein as the "**New Securities**".

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the Company and the Investor hereby agree as follows:

1. EXCHANGES OF ACQUIRED NOTES.

(a) Exchange. At any time during the period commencing on the date hereof and ending on the date no Existing Notes remain outstanding (the "**Exchange Period**"), on the date hereof with respect to any Acquired Notes held by the Investor as of the date hereof (as specified on the signature page of the Investor attached hereto) and immediately following each Acquisition of an Existing Note by the Investor, in whole or in part, after the date hereof, as applicable, such Acquired Note Amount of Acquired Notes with respect thereto shall be automatically exchanged by the Company into such aggregate principal amount of New Notes calculated at the exchange rate specified in **Schedule I** attached hereto in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act. The New Notes shall be held in book-entry form on the books and records of the Company unless the Investor requests in writing (which may be by an e-mail transmission) a certificated New Note, which shall be delivered to the Investor within three (3) days of such request. Notwithstanding the foregoing, as of the date hereof with respect to any Acquired Notes held by the Investor as of the date hereof (or as of the date of the applicable Acquisition with respect to any other Acquired Notes), the Investor shall be deemed for all corporate purposes to have become the holder of record of such New Notes and shall be entitled to exercise all of its rights with respect to such New Notes and, irrespective of the date the Company delivers such certificate evidencing such New Notes.

(b) Notification. The Investor hereby agrees to notify the Company in writing (which may be an e-mail) of such Investor's intent to consummate, and consummation of, any Acquisition (including, without limitation, the Acquired Note Amounts with respect to any Acquired Notes related thereto).

(c) Recording of Initial New Notes. On the date hereof, all New Notes shall be issued on the books and records of the Company to the Investor with respect to any Acquired Notes held by the Investor on the date hereof as specified on the signature page of the Investor attached hereto

2. REPRESENTATIONS AND WARRANTIES

(a) Company's Representations. The Company hereby represents and warrants and covenants to the Investor, as of the date hereof and each other date in which the Company issues New Notes to the Investor, as follows:

(i) Organization and Qualification. Each of the Company and each of its Subsidiaries are entities duly organized and validly existing and in good standing (to the extent such concept exists in the relevant jurisdiction) under the laws of the jurisdiction in which they are formed and have the requisite power and authority to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every 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 reasonably be expected to have a Material Adverse Effect (as defined below). As used in this Agreement, "**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 or any Subsidiary, individually or taken as a whole, (ii) the transactions contemplated hereby or in any of the other Exchange Documents (as defined below) or any other agreements or instruments to be entered into in connection herewith or therewith or (iii) the authority or ability of the Company or any of its Subsidiaries to perform any of their respective obligations under any of the Exchange Documents. Other than the Persons (as defined below) set forth on Schedule 2. (a) , the Company has no Subsidiaries. "**Subsidiaries**" means any Person in which the Company, directly or indirectly, (I) owns any of the outstanding share capital 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, and each of the foregoing, is individually referred to herein as a "**Subsidiary**." For purposes of this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any Governmental Entity (as defined below) or any department or agency thereof.

(ii) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Exchange Documents and to issue the New Notes in exchange for the Acquired Notes in accordance with the terms hereof. The execution and delivery of this Agreement and the other Exchange Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the New Notes and the reservation for issuance and issuance of the New Conversion Shares issuable upon conversion of the New Notes) have been duly authorized by the Company's board of directors or other governing body, as applicable, and no further filing, consent or authorization is required by the Company, its Subsidiaries, their respective boards of directors or their shareholder or other governing body. This Agreement has been, and New Notes to be issued by the time in one or more Exchanges hereunder will be, 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. "**Exchange Documents**" means, collectively, this Agreement, the New Notes, the Irrevocable Transfer Agent Instructions (as defined below) 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.

(iii) Issuance of Securities. The issuance of the New Notes are duly authorized and, upon issuance in accordance with the terms of this Agreement, the New Notes shall be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "**Liens**") with respect to the issue thereof. Assuming the accuracy of the representations and warranties of the Investor contained herein, the offer and issuance by the Company of the New Notes in each Exchange is exempt from registration under the Securities Act pursuant to the exemption provided by Rule 3(a)(9) thereof.

(iv) No Conflicts. The execution, delivery and performance of the Exchange Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the Exchanges, the issuance of the New Notes, the New Conversion Shares and the reservation for issuance of the New Conversion Shares) will not (i) result in a violation of the Articles of Association of the Company (including, without limitation, any certificate of designation contained therein), Memorandum of Association of the Company, certificate of formation, memorandum of association, articles of association, bylaws or other organizational documents of the Company or any of its Subsidiaries, or any share capital or other securities of the Company or any of its Subsidiaries, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, federal and state securities laws and regulations and the rules and regulations of the Nasdaq Capital Market (the **"Principal Market**") and including all applicable foreign, federal and state laws, rules and regulations) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected.

(v) 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 Governmental Entity (as defined below) or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Exchange Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company or any Subsidiary is required to obtain pursuant to the preceding sentence have been or will be obtained or effected on or prior to the date hereof, and neither the Company nor any of its Subsidiaries are aware of any facts or circumstances which might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Exchange Documents. The Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Ordinary Shares in the foreseeable future. "**Governmental Entity**" means any nation, state, county, city, town, village, district, or other political jurisdiction of any nature, federal, state, local, municipal, foreign, or other government, governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), multi-national organization or body; or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature or instrumentality of any of the foregoing, including any entity or enterprise owned or controlled by a government or a public international organization or any of the foregoing. "**Ordinary Shares**" means (x) the Company's Ordinary Shares, no par value, and (y) any share capital into which such Ordinary Shares shall have been changed or any share capital resulting from a reclassification of such Ordinary Shares.

(vi) Acknowledgment Regarding Investor's Purchase of Securities. The Company acknowledges and agrees that the Investor is acting solely in the capacity of an arm's length purchaser with respect to the Exchange Documents and the transactions contemplated hereby and thereby and that the Investor is not (i) an officer or director of the Company or any of its Subsidiaries, (ii) an "affiliate" (as defined in Rule 144) of the Company or any of its Subsidiaries or (iii) to its knowledge, a "beneficial owner" of more than 10% of the outstanding Ordinary Shares (as defined for purposes of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**1934 Act**")). The Company further acknowledges that the Investor 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 Exchange Documents and the transactions contemplated hereby and thereby, and any advice given by the Investor or any of its representatives or agents in connection with the Exchange Documents and the transactions contemplated hereby and thereby is merely incidental to the Investor's purchase of the New Securities. The Company further represents to the Investor that the Company's and each Subsidiary's decision to enter into the Exchange Documents to which it is a party has been based solely on the independent evaluation by the Company, each Subsidiary and their respective representatives.

(vii) No General Solicitation; Placement Agent's Fees. Neither the Company, nor any of its Subsidiaries or affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the Exchanges. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions (other than for Persons engaged by the Investor or its investment advisor) relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold the Investor harmless against, any liability, loss or expense (including, without limitation, attorney's fees and out-of-pocket expenses) arising in connection with any such claim. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the offer or sale of the New Securities.

(viii) No Integrated Offering. None of the Company, its Subsidiaries or any of their affiliates, nor any Person acting on their behalf 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 New Securities under the Securities Act, whether through integration with prior offerings or otherwise, or cause this offering of the New Securities to require approval of shareholder of the Company for purposes of the Securities Act or 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, its Subsidiaries, their affiliates nor any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the New Securities under the Securities Act or cause the offering of any of the New Securities to be integrated with other offerings of securities of the Company.

(ix) Dilutive Effect. The Company understands and acknowledges that the number of New Conversion Shares will increase in certain circumstances. The Company further acknowledges that its obligation to issue the New Conversion Shares pursuant to the terms of the New Notes in accordance with this Agreement and the New Notes is, in each case, absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholder of the Company.

(x) SEC Documents; Financial Statements. Except as disclosed on Schedule 2(a)(x), during the two (2) years prior to the date hereof, the Company has timely filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing 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**"). The Company has delivered or has made available to the Investor or its representatives true, correct and complete copies of each of the SEC Documents not available on the EDGAR system. As of their respective dates, 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 their respective 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 International Financial Reporting Standards ("**IFRS**"), 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 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). The reserves, if any, established by the Company or the lack of reserves, if applicable, are reasonable based upon facts and circumstances known by the Company on the date hereof and there are no loss contingencies that are required to be accrued by the Statement of Financial Accounting Standard No. 5 of the Financial Accounting Standards Board which are not provided for by the Company in its financial statements or otherwise. No other information provided by or on behalf of the Company to the Investor which is not included in the SEC Documents (including, without limitation, information referred to in Section **Error! Reference source not found.** of this Agreement or in the disclosure schedules to this Agreement) 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. The Company is not currently contemplating to amend or restate any of the financial statements (including, without limitation, any notes or any letter of the independent accountants of the Company with respect thereto) included in the SEC Documents (the "**Financial Statements**"), nor is the Company currently aware of facts or circumstances which would require the Company to amend or restate any of the Financial Statements, in each case, in order for any of the Financials Statements to be in compliance with IFRS and the rules and regulations of the SEC. The Company has not been informed by its independent accountants that they recommend that the Company amend or restate any of the Financial Statements or that there is any need for the Company to amend or restate any of the Financial Statements.

(xi) Acknowledgement Regarding Investor's Trading Activity. It is understood and acknowledged by the Company, except as set forth in Section 7(e) below, that (i) following the public disclosure of the transactions contemplated by the Exchange Documents, in accordance with the terms thereof, the Investor has not been asked by the Company or any of its Subsidiaries to agree, nor has the Investor agreed with the Company or any of its Subsidiaries, to desist from effecting any transactions in or with respect to (including, without limitation, purchasing or selling, long and/or short) any securities of the Company, or "derivative" securities based on securities issued by the Company or to hold any of the New Securities for any specified term; (ii) the Investor, and counterparties in "derivative" transactions to which any the Investor is a party, directly or indirectly, presently may have a "short" position in the Ordinary Shares which was established prior to the Investor's knowledge of the transactions contemplated by the Exchange Documents; (iii) the Investor shall not be deemed to have any affiliation with or control over any arm's length counterparty in any "derivative" transaction; and (iv) the Investor may rely on the Company's obligation to timely deliver shares of Ordinary Shares upon conversion, exercise, or exchange, as applicable, of the New Securities as and when required pursuant to the Exchange Documents for purposes of effecting trading in the Ordinary Shares of the Company. The Company further understands and acknowledges that following the public disclosure of the transactions contemplated by the Exchange Documents pursuant to the 6-K Filing (as defined below), except as set forth in Section 7(e) below, the Investor may engage in hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable shares of Ordinary Shares) at various times during the period that the New Securities are outstanding, including, without limitation, during the periods that the value and/or number of the New Conversion Shares deliverable with respect to the New Securities are being determined and such hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable shares of Ordinary Shares), if any, can reduce the value of the existing shareholder's equity interest in the Company both at and after the time the hedging and/or trading activities are being conducted. The Company acknowledges that such aforementioned hedging and/or trading activities do not constitute a breach of this Agreement, the New Notes, or any other Exchange Document or any of the documents executed in connection herewith or therewith.

(xii) No Consideration. No consideration was paid, directly or indirectly, by the Investor to the Company in connection with any Exchange contemplated hereby.

(xiii) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided the Investor or its agent or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company or any of its Subsidiaries, other than the existence of the transactions contemplated by this Agreement and the other Exchange Documents. The Company understands and confirms that the Investor will rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to the Investor regarding the Company and its Subsidiaries, their 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 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. All of the written information furnished after the date hereof by or on behalf of the Company or any of its Subsidiaries to the Investor pursuant to or in connection with this Agreement and the other Exchange Documents, taken as a whole, will be true and correct in all material respects as of the date on which such information is so provided and will 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. Each press release issued by the Company or any of its Subsidiaries during the twelve (12) months preceding the date of this Agreement did not at the time of release contain any untrue statement of a material fact or omit 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 are made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or any of its Subsidiaries or its or their business, properties, liabilities, prospects, operations (including results thereof) or conditions (financial or otherwise), which, under applicable law, rule or regulation, requires public disclosure at or before the date hereof or announcement by the Company but which has not been so publicly disclosed. The Company acknowledges and agrees that no Investor makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2(b).

(b) Investor's Representations and Warranties. As a material inducement to the Company to enter into this Agreement and consummate the Exchanges, the Investor represents and warrants with and to the Company as of the date hereof and each other date in which the Company issues New Notes to the Investor, as follows:

(i) Reliance on Exemptions. The Investor understands that the New Notes are being offered and exchanged 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 the Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein and in the Exchange Documents in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the New Notes.

(ii) No Governmental Review. The Investor 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 New Notes or the fairness or suitability of the investment in the New Notes nor have such authorities passed upon or endorsed the merits of the offering of the New Notes.

(iii) Validity; Enforcement. This Agreement and the Exchange Documents to which the Investor is a party have been duly and validly authorized, executed and delivered on behalf of the Investor and shall constitute the legal, valid and binding obligations of the Investor enforceable against the Investor in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(iv) No Conflicts. The execution, delivery and performance by the Investor of this Agreement and the Exchange Documents to which the Investor is a party, and the consummation by the Investor of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of the Investor or (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 the Investor 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 the Investor, 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 the Investor to perform its obligations hereunder.

(v) Investment Risk; Sophistication. The Investor is acquiring the New Notes hereunder in the ordinary course of its business. The Investor has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluation of the merits and risks of the prospective investment in the New Notes, and has so evaluated the merits and risk of such investment. The Investor is an "accredited Investor" as defined in Regulation D under the Securities Act.

(vi) Non-Affiliate Status. Investor is not currently, and has not for the three (3) months prior to the date hereof or prior to the date of any Acquisition, been an "an "affiliate" (as defined in Rule 144) of the Company or any of its Subsidiaries or to its knowledge, a "beneficial owner" of more than 10% of the outstanding Ordinary Shares (as defined for purposes of Rule 13d-3 of the 1934 Act.

(vii) Ownership of Acquired Notes. Immediately following each Acquisition, the Investor shall own the applicable Acquired Note free and clear of any Liens (other than the obligations pursuant to this Agreement and applicable securities laws).

3. DISCLOSURE

(a) The Company shall, on or before 9:30 a.m., New York City Time, on or prior to the first business day after the date of this Agreement, file a Report of Foreign Issuer on Form 6-K describing the terms of the transactions contemplated hereby in the form required by the 1934 Act and attaching the forms of the New Notes and this Agreement as an exhibit to such filing (including all attachments, the "**6-K Filing**"). From and after the filing of the 6-K Filing, the Company shall have disclosed all material, non-public information (if any) provided up to such time to the Investor by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents. In addition, effective upon the filing of the 6-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement with respect to the transactions contemplated by the Exchange Documents or as otherwise disclosed in the 6-K Filing, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any of the Investor or any of their affiliates, on the other hand, shall terminate. Neither the Company, its Subsidiaries nor the Investor shall issue any press releases or any other public statements with respect to the transactions contemplated hereby, without the written prior approval of the other party; provided, however, the Company shall be entitled, without the prior approval of the Investor, to make a press release or other public disclosure with respect to such transactions (i) in substantial conformity with the 6-K Filing and contemporaneously therewith or (ii) as is required by applicable law and regulations (provided that in the case of clause (i) the Investor 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 the Investor (which may be granted or withheld in the Investor's sole discretion), except as required by applicable law, the Company shall not (and shall cause each of its Subsidiaries and affiliates to not) disclose the name of the Investor in any filing, announcement, release or otherwise.

(b) Neither the Company, its subsidiaries nor the Investor 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 the Investor, to issue any press release or make other public disclosure with respect to such transactions (i) in substantial conformity with the 6-K Filing and contemporaneously therewith and (ii) as is required by applicable law and regulations (provided that the Investor shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release).

(c) Without the prior written consent of the Investor, the Company shall not (and shall cause each of its subsidiaries and affiliates to not) disclose the name of the Investor in any filing (other than the 6-K Filing), announcement, release or otherwise.

4. REGISTER; TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of New Securities), a register for the New Notes in which the Company shall record the name and address of the Person in whose name the New Notes have been issued (including the name and address of each transferee), the aggregate principal amount of the New Notes held by such Person and the number of New Conversion Shares issuable pursuant to the terms of the New Notes held by such Person,. The Company shall keep the register open and available at all times during business hours for inspection of the Investor or its legal representatives.

(b) Transfer Agent Instructions. The Company shall notify the Transfer Agent of the Company that the Investor is the owner of the New Notes and that upon receipt of notice from such Investor that (i) it has consummated any one or more Acquisitions (including, without limitation, the Acquired Note Amounts with respect to any Acquired Notes related thereto), and (ii) intends to convert such Acquired Note Amount(s) into New Conversion Shares (the "**Conversion Notice**"), and shall direct the Transfer Agent to honor such Conversion Notice and immediately issue such New Conversion Shares to such Investor. In such connection, the Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent (as applicable, the "**Transfer Agent**") in the form attached hereto as **Exhibit B** (the "**Irrevocable Transfer Agent Instructions**") to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company ("**DTC**"), registered in the name of the Investor or its respective nominee(s), for the New Conversion Shares in such amounts as specified from time to time by the Investor to the Company upon conversion of the New Notes. The Company represents that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 4(b) will be given by the Company to its transfer agent with respect to the New Securities, and that the New Securities shall otherwise be freely transferable on the books and records of the Company. If the Investor effects a sale, assignment or transfer of the New Securities, 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 the Investor to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves New Conversion Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144, the transfer agent shall issue such shares to the Investor, assignee or transferee (as the case may be) without any restrictive legend. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Investor. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 4(b) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 4(b), that the Investor 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. The Company shall cause its counsel to issue the legal opinion referred to in the Irrevocable Transfer Agent Instructions to the Company's transfer agent as requested by the Transfer Agent or the Investor. 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 New Securities shall be borne by the Company.

(c) Legends. The Investor understands that the New Securities have been issued (or will be issued in the case of the New Conversion Shares) pursuant to an exemption from registration or qualification under the 1933 Act and applicable state New Securities laws, and except as set forth below, the New Securities shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such share certificates):

[NEITHER THE ISSUANCE AND SALE OF THE NEW SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE NEW SECURITIES INTO WHICH THESE NEW SECURITIES ARE CONVERTIBLE HAVE BEEN][THE NEW SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE NEW SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE NEW SECURITIES LAWS. THE NEW SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE NEW SECURITIES UNDER THE NEW 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 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE NEW SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE NEW SECURITIES.

(d) Removal of Legends. Certificates, if issued, evidencing New Securities shall not be required to contain the legend set forth in Section 4(c) above or any other legend (i) while a registration statement (including a Registration Statement) covering the resale of such New Securities is effective under the 1933 Act, (ii) following any sale of such New Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such New Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that the Investor provides the Company with reasonable assurances that such New Securities are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of the Investor's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Investor provides the Company with an opinion of counsel to the Investor, in a generally acceptable form, to the effect that such sale, assignment or transfer of the New 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 one (1) Trading Day (as defined in the New Notes)(or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade initiated on the date the Investor delivers such legended certificate representing such New Securities to the Company) following the delivery by the Investor to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such New Securities (endorsed or with share powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from the Investor as may be required above in this Section 4(d), as directed by the Investor, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated New Securities Transfer Program ("**FAST**") and such New Securities are New Conversion Shares, credit the aggregate number of Ordinary Shares to which the Investor shall be entitled to the Investor's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in FAST, issue and deliver (via reputable overnight courier) to the Investor, a certificate representing such New Securities that is free from all restrictive and other legends, registered in the name of the Investor or its designee (the date by which such credit is so required to be made to the balance account of the Investor's or the Investor's designee with DTC or such certificate is required to be delivered to the Investor pursuant to the foregoing is referred to herein as the "**Required Delivery Date**", and the date such Ordinary Shares are actually delivered without restrictive legend to the Investor or the Investor's designee with DTC, as applicable, the "**Share Delivery Date**"). The Company shall be responsible for any transfer agent fees or DTC fees with respect to any issuance of New Securities or the removal of any legends with respect to any New Securities in accordance herewith.

(e) Failure to Timely Deliver; Buy-In. If the Company fails, for any reason or for no reason, to issue and deliver (or cause to be delivered) to the Investor (or its designee) by the Required Delivery Date, if the Transfer Agent is not participating in FAST, a certificate for the number of New Conversion Shares to which the Investor is entitled and register such New Conversion Shares on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of the Investor or the Investor's designee with DTC for such number of New Conversion Shares submitted for legend removal by the Investor pursuant to Section 4(d) above (a "**Delivery Failure**"), then, in addition to all other remedies available to the Investor, the Company shall pay in cash to the Investor on each day after the Share Delivery Date and during such Delivery Failure an amount equal to 1% of the product of (A) the sum of the number of Ordinary Shares not issued to the Investor on or prior to the Required Delivery Date and to which the Investor is entitled, and (B) any trading price of the Ordinary Shares selected by the Investor in writing as in effect at any time during the period beginning on the date of the delivery by the Investor to the Company of the applicable New Conversion Shares and ending on the applicable Share Delivery Date. In addition to the foregoing, if on or prior to the Required Delivery Date if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver a certificate to the Investor and register such Ordinary Shares on the Company's share register or, if the Transfer Agent is participating in FAST, credit the balance account of the Investor or the Investor's designee with DTC for the number of Ordinary Shares to which the Investor submitted for legend removal by the Investor pursuant to Section 4(d) above (ii) below, and if on or after such Trading Day the Investor purchases (in an open market transaction or otherwise) of Ordinary Shares to deliver in satisfaction of a sale by the Investor of such Ordinary Shares submitted for legend removal by the Investor pursuant to Section 4(d) above that the Investor is entitled to receive from the Company (a "**Buy-In**"), then the Company shall, within one (1) Trading Day after the Investor's request and in the Investor's discretion, either (i) pay cash to the Investor in an amount equal to the Investor's total purchase price (including brokerage commissions, share loan costs and other out-of-pocket expenses, if any, for the Ordinary Shares so purchased) (the "**Buy-In Price**"), at which point the Company's obligation to so deliver such certificate or credit the Investor's balance account shall terminate and such shares shall be cancelled, or (ii) promptly honor its obligation to so deliver to the Investor a certificate or certificates or credit the balance account of the Investor or the Investor's designee with DTC representing such number of Ordinary Shares that would have been so delivered if the Company timely complied with its obligations hereunder and pay cash to the Investor in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of New Conversion Shares that the Company was required to deliver to the Investor by the Required Delivery Date multiplied by (B) the lowest Closing Sale Price (as defined in the New Notes) of the Ordinary Shares on any Trading Day during the period commencing on the date of the delivery by the Investor to the Company of the applicable New Conversion Shares and ending on the date of such delivery and payment under this clause (ii). Nothing shall limit the Investor's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Ordinary Shares (or to electronically deliver such Ordinary Shares) as required pursuant to the terms hereof. Notwithstanding anything herein to the contrary, with respect to any given Delivery Failure, this Section 4(e) shall not apply to the Investor the extent the Company has already paid such amounts in full to the Investor with respect to such Delivery Failure, pursuant to the analogous sections of the New Notes then held by the Investor.

(f) FAST Compliance. While any New Notes remain outstanding, the Company shall maintain a transfer agent that participates in FAST.

(g) Holding Period. For the purposes of Rule 144, the Company acknowledges that, in reliance upon the representations of the Investor, the holding period of the New Notes (and the New Conversion Shares issuable upon conversion of the New Notes, as applicable) may be tacked onto the holding period of the Existing Notes the Company agrees not to take a position contrary to this Section 4(g). The Company acknowledges and agrees that (assuming the Investor is not an affiliate of the Company) (i) the New Notes (or the New Conversion Shares issuable upon conversion of the New Notes, as applicable) will be eligible to be resold pursuant to Rule 144 without restriction, to the extent that six months has elapsed from the date of issuance of the Existing Notes exchanged for such New Notes, (ii) the Company is not aware of any event reasonably likely to occur that would reasonably be expected to result in the New Notes (or the New Conversion Shares issuable upon conversion of the New Notes, as applicable) becoming ineligible to be resold by the Investor pursuant to Rule 144 and (iii) in connection with any resale of the New Notes (or the New Conversion Shares issuable upon conversion of the New Notes, as applicable) pursuant to Rule 144, the Investor shall solely be required to provide reasonable assurances that such applicable New Notes (or the New Conversion Shares issuable upon conversion of the New Notes, as applicable) are eligible for resale, assignment or transfer under Rule 144, which shall not include an opinion of Investor's counsel. The Company shall be responsible for any transfer agent fees or DTC fees or legal fees of the Company's counsel with respect to the removal of legends, if any.

5. INDEMNIFICATION

(a) In consideration of the Investor's execution and delivery of the Exchange Documents to which it is a party and acquiring the New Securities thereunder and in addition to all of the Company's other obligations under the Exchange Documents, the Company shall defend, protect, indemnify and hold harmless the Investor and each affiliate of the Investor that holds any New Securities and all of their shareholder, 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 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 (a) any misrepresentation or breach of any representation or warranty made by the Company in any of the Exchange Documents, (b) any breach of any covenant, agreement or obligation of the Company contained in any of the Exchange Documents or (c) any cause of action, suit 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) and arising out of or resulting from (i) the execution, delivery, performance or enforcement of any of the Exchange Documents, or (ii) the status of the Investor or Investor of the New Securities as the Investor of securities of the Company pursuant to the transactions contemplated by the Exchange Documents. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(b) Promptly after receipt by an Indemnitee under this Section 5 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if an Indemnified Liability in respect thereof is to be made against the Company under this Section 5, 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 not more than one counsel for such Indemnitee to be paid by the Company, if, in the reasonable opinion of counsel retained by the Company, the representation by such counsel of the Indemnitee and the Company would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceeding. In the case of an Indemnitee, legal counsel referred to in the immediately preceding sentence shall be selected by the Investor. The Indemnitee shall cooperate fully with the Company in connection with any negotiation or defense of any such Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such 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. The Company shall not, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liability. 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. The failure to deliver written notice to the Company within a reasonable time of the commencement of any such action shall not relieve the Company of any liability to the Indemnitee under this Section 8.12, except to the extent that the Company is prejudiced in its ability to defend such action.

(c) The indemnification required by this Section 5 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.

(d) The indemnification required by this Section 5 shall be in addition to (i) any cause of action or similar right of the Indemnitee against the Company or others, and (ii) any liabilities the Company may be subject to pursuant to the law.

6. RESERVATION OF SHARES

(a) Reservation. Until such date on which no New Notes or Existing Notes 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 200% of the maximum number of Ordinary Shares issuable upon conversion of all the New Notes then outstanding (assuming for purposes hereof that (w) all Existing Notes have been acquired by the Investor and exchanged into New Notes, (x) the New Notes are convertible at the Conversion Price (as defined in the New Notes) then in effect, (y) interest on the New Notes shall accrue through the second anniversary of the date hereof and will be converted into Ordinary Shares at a conversion price equal to Conversion Price then in effect and (z) any such conversion shall not take into account any limitations on the conversion of the New Notes set forth in the New Notes) (collectively, the "**Required Reserve Amount**"); provided that at no time shall the number of Ordinary Shares reserved pursuant to this Section 6 be reduced other than proportionally in connection with any conversion, exercise, and/or redemption, as applicable of the New Notes or (y) after the date no Existing Notes remain outstanding, to the extent any New Notes otherwise issuable hereunder were not issued. If at any time the number of Ordinary Shares authorized and reserved for issuance is not sufficient to meet the Required Reserve Amount, the Company will promptly take all corporate action necessary to authorize and reserve a sufficient number of shares, including, without limitation, calling a special meeting of shareholders to authorize additional shares to meet the Company's obligations pursuant to the Exchange Documents, in the case of an insufficient number of authorized shares, obtain shareholder approval of an increase in such authorized number of shares, and voting the management shares of the Company in favor of an increase in the authorized shares of the Company to ensure that the number of authorized shares is sufficient to meet the Required Reserve Amount. On or prior to the date hereof, both the Company and its transfer agent shall execute and deliver to the Investor the irrevocable transfer agent instructions in the form attached hereto as **Exhibit B**.

(b) Insufficient Authorized Shares. If, notwithstanding Section 6(a), and not in limitation thereof, at any time while the Existing Notes or the New Notes remain outstanding the Company does not have a sufficient number of authorized and unreserved Ordinary Shares to satisfy its obligation to reserve Ordinary Shares for conversion of New Notes by the Investor in an amount equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized Ordinary Shares to an amount sufficient to allow the Company to reserve the Required Reserve Amount for such New Notes. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its shareholder for the approval of an increase in the number of authorized Ordinary Shares. In connection with such meeting, the Company shall provide each shareholder with a proxy statement and shall use its best efforts to solicit its shareholders' approval of such increase in authorized Ordinary Shares and to cause its board of directors to recommend to the shareholders that they approve such proposal. In the event that the Company is prohibited from issuing Ordinary Shares upon any exchange due to the failure by the Company to have sufficient Ordinary Shares available out of the authorized but unissued Ordinary Shares (such unavailable number of Ordinary Shares, the "**Authorization Failure Shares**"), in lieu of delivering such Authorization Failure Shares to the Investor, the Company shall pay cash in exchange for the redemption of such portion of the New Notes convertible into such Authorization Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorization Failure Shares and (y) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date the Investor delivers the applicable Conversion Notice (as defined in the New Notes) with respect to such Authorization Failure Shares to the Company and ending on the date of such issuance and payment under this Section 6(b) and (ii) to the extent the Investor purchases (in an open market transaction or otherwise) Ordinary Shares to deliver in satisfaction of a sale by the Investor of Authorization Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Investor incurred in connection therewith. Nothing contained in Section 6(a) or this Section 6(b) shall limit any obligations of the Company under any other provision hereunder or in the New Notes or the Existing Notes.

7. MISCELLANEOUS.

(a) No Finder's Fees. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with the Exchanges, including, without limitation any commission or other remuneration, paid or given directly or indirectly for soliciting any of the Exchanges.

(b) Further Assurances; Additional Documents. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement upon the reasonable request of the other party.

(c) No Oral Modification. This Agreement may only be amended in writing signed by the Company and by the Investor. All waivers relating to any provision of this Agreement must be in writing and signed by the waiving party.

(d) Fees. The Company shall reimburse Kelley Drye & Warren LLP (counsel to the Investor) in an aggregate non-accountable amount of $125,000 (the "**Legal Fee Amount**") for costs and expenses incurred by it in connection with drafting and negotiation of the Exchange Documents. Each party to this Agreement shall bear its own expenses in connection with the structuring, documentation, negotiation and closing of the transactions contemplated hereby, except as provided in the previous sentence and except that the Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, transfer agent fees, Depository Trust Company ("**DTC**") fees relating to or arising out of the transactions contemplated hereby.

(e) No Net Short Position. The Investor hereby agrees solely with the Company, for so long as the Investor owns any New Notes, the Investor shall not maintain a Net Short Position (as defined below). For purposes hereof, a "**Net Short Position**" by a person means a position whereby such person has executed one or more sales of Ordinary Shares that is marked as a short sale (but not including any sale marked "short exempt") and that is executed at a time when the Investor has no equivalent offsetting long position in the Ordinary Shares (or is deemed to have a long position hereunder or otherwise in accordance with Regulation SHO of the 1934 Act); provided, that, for purposes of such calculations, any short sales either (x) consummated at a price greater than or equal to (A) the Conversion Price, (y) that is a result of a bona-fide trading error on behalf of the Investor (or its affiliates) or (z) that would otherwise be marked as a "long" sale, but for the occurrence of a Conversion Failure (as defined in the New Notes), an Equity Conditions Failure (as defined in the New Notes) and/or any other breach by the Company (or its affiliates or agents, including, without limitation, the Transfer Agent (as defined below)) of any Exchange Document, in each case, shall be excluded from such calculations. For purposes of determining whether the Investor has an equivalent offsetting "long" position in the Ordinary Shares, (A) all Ordinary Shares that are owned by the Investor shall be deemed held "long" by the Investor, (B) all Ordinary Shares that would be issuable upon conversion or exercise in full of all New Securities issuable to the Investor or then held by the Investor, as applicable (assuming that such New Securities were then fully convertible or exercisable, notwithstanding any provisions to the contrary, and giving effect to any conversion or exercise price adjustments that would take effect given only the passage of time) shall be deemed to be held long by the Investor, and (C) at any other time the Company is required (or has elected (or is deemed to have elected)) to issue Ordinary Shares to the Investor pursuant to the terms of the New Notes, any Ordinary Shares issued or issuable to the Investor (or its designee, if applicable) in connection therewith shall be deemed held "long" by the Investor from and after the date that is one (1) Trading Day prior to the deadline for delivery of such Ordinary Shares to the Investor, as set forth in the New Notes, until such time as the Investor shall no longer beneficially own such Ordinary Shares.

(f) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement 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 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. Each party 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. The Company hereby appoints the Person set forth on Schedule 7(e) attached hereto, as its agent for service of process in Delaware. **EACH PARTY 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 UNDER ANY OTHER TRANSACTION DOCUMENT OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.** The choice of the laws of the State of Delaware as the governing law of this Agreement is a valid choice of law and would be recognized and given effect to in any action brought before a court of competent jurisdiction in the State of Israel, except for those laws (i) which such court considers to be procedural in nature, (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of the State of Israel. The Company or any of their respective properties, assets or revenues does not have any right of immunity under State of Israel or Delaware law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any State of Israel, Delaware or United States federal court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement; and, to the extent that the Company, or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company hereby waives such right to the extent permitted by law and hereby consents to such relief and enforcement as provided in this Agreement and the other Exchange Documents.

(g) 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.

(h) Remedies. The Investor and each affiliate of the Investor that holds any New Securities shall have all rights and remedies set forth in the Exchange Documents and all rights and remedies which the Investor has been granted at any time under any other agreement or contract and all of the rights which the Investor has 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 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 any of the Exchange Documents, any remedy at law may prove to be inadequate relief to the Investor. The Company therefore agrees that the Investor 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 damages and without posting a bond or other security.

(i) Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Exchange Documents, whenever the Investor exercises a right, election, demand or option under an Exchange Document and the Company does not timely perform its related obligations within the periods therein provided, then the Investor may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

(j) Payment Set Aside. To the extent that the Company makes a payment or payments to the Investor hereunder or the Investor 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 Exchange Documents are in United States Dollars ("**US Dollars**"), and all amounts owing under this Agreement and all other Exchange Documents shall be paid in US Dollars. All amounts denominated in other currencies shall be converted in the US Dollar equivalent amount in accordance with the Dollar Exchange Rate on the date of calculation. "**Dollar Exchange Rate**" means, in relation to any amount of currency to be converted into US Dollars pursuant to this Agreement, the US Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

(k) 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 and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(l) Survival. The representations, warranties, agreements and covenants in this Agreement shall survive the execution and delivery hereof and the consummation of the transactions contemplated hereby.

(m) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(n) Severability; Usury. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon determination that any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to attempt to agree on a modification of this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible. Notwithstanding anything to the contrary contained in this Agreement or any other Exchange Document (and without implication that the following is required or applicable), it is the intention of the parties that in no event shall amounts and value paid by the Company, or payable to or received by the Investor, under the Exchange Documents, including without limitation, any amounts that would be characterized as "interest" under applicable law, exceed amounts permitted under any such applicable law. Accordingly, if any obligation to pay, payment made to the Investor, or collection by the Investor pursuant the Exchange Documents is finally judicially determined to be contrary to any such applicable law, such obligation to pay, payment or collection shall be deemed to have been made by mutual mistake of the Investor and the Company and such amount shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the applicable law. Such adjustment shall be effected, to the extent necessary, by reducing or refunding, at the option of the Investor, the amount of interest or any other amounts which would constitute unlawful amounts required to be paid or actually paid to the Investor under the Exchange Documents. For greater certainty, to the extent that any interest, charges, fees, expenses or other amounts required to be paid to or received by the Investor under any of the Exchange Documents or related thereto are held to be within the meaning of "interest" or another applicable term to otherwise be violative of applicable law, such amounts shall be pro-rated over the period of time to which they relate.

(o) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(p) Further Assurances. Each party 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 the 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.

(q) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(r) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(s) 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, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with an overnight courier service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be (x) if to the Company, at the address set forth on its signature page attached hereto or (y) if to the Investor, at the address set forth on its signature page attached hereto, or to such other address and/or facsimile number 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, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(t) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(u) Interpretation. Unless the context of this Agreement clearly requires otherwise, (a) references to the plural include the singular, the singular the plural, the part the whole, (b) references to any gender include all genders, (c) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (d) references to "hereunder" or "herein" relate to this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Investor and the Company have caused their respective signature page to this Exchange Agreement to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD

By:	/s/ Noah Hershkoviz	/s/ Lior Davidsohn
Name:	Noah Hershkoviz	Lior Davidsohn
Title:	CEO	Interim CFO

Address: 2 Kaplan St., Tel-Aviv

IN WITNESS WHEREOF, the Investor and the Company have caused their respective signature page to this Exchange Agreement to be duly executed as of the date first written above.

INVESTOR:

Seven Knots, LLC

By: /s/ Marissa Welner
Name: Marissa Welner
Title: Manager

Aggregate Amount Outstanding under any Acquired Notes held by Investor as of the date hereof (if any):

$3,747,845

Aggregate Principal Amount of New Notes to be Issued in Exchange for such Initial Acquired Notes (if any)

$3,747,845

SCHEDULE I

Existing Notes and Exchange Rates

Acquired Notes and New Notes

Gottdiener Notes

Issuance Date	Acquired Note Amount being exchanged (principal plus accrued interest) as of the date hereof (1)	Aggregate Principal of New Notes to be issued in exchange for Acquired Notes
March 12, 2024	**$ 174,519.00**	**$ 290,364.12****
April 30, 2025	**$ 1,920,791.00(2)**	**$ 1,920,791.00**
April 3, 2024	**$ 5,825,872.00**	**$ 8,193,065.97****
April 30, 2025	**$ 2,483,478.00(3)**	**$ 2,483,478.00**
April 30, 2025	**$ 1,235,556.00(4)**	**$ 1,235,556.00**
June 26, 2024	**$ 1,031,944.00**	**$ 1,716,944.91****
August 20, 2025	**$ 1,500,000.00(5)**	**$ 1,500,000.00**
Total	***$ 14,172,160.00***	***$ 17,340,200.00***

(1) After giving effect to any prior conversions and interest accrued to date.

(2) Pursuant to the terms of the Fourth Amendment to the Gottdiener Securities Purchase Agreement, Gottdiener had the right to convert, in whole or in part, the notes issued to Gottdiener by the Company (the "**Original Gottdiener Notes**") and, to the extent Gottdiener was unable to timely sell the Ordinary Shares underlying such Original Gottdiener Notes, to receive a new note reflecting the lost principal and interest with respect thereto (each a "**Note Reversion**"). This amount reflects a Note Reversion to Gottdiender with respect to an Original Gottdiender Note dated March 12, 2024.

(3) Reflects a Note Reversion to Gottdiender with respect to an Original Gottdiener Note dated April 3, 2024.

(4) Reflects a Note Reversion to Gottdiender with respect to an Original Gottdiener Note dated November 4, 2024.

(5) Reflects a note issued to Seven Knots LLC in connection with the note purchase agreement, dated August 20, 2025, between Seven Knots LLC and Gottdiener.

** Includes 20% original issue discount calculated based upon the total aggregate outstanding Gottdiener Notes and allocated among the designated Acquired Notes.

AGP Notes

Issuance Date	Existing Note Amount (principal plus accrued interest) as of the date hereof	Aggregate Principal of New Notes to be issued in exchange for Acquired Notes (after applying 20% OID)
November 22, 2024	$ 2,247,845	$ 2,500,000

Exhibit 4.88

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID"). PURSUANT TO TREASURY REGULATION §1.1275-3(B)(1), TUVIA GROSSMAN, A REPRESENTATIVE OF THE COMPANY HEREOF WILL, BEGINNING TEN DAYS AFTER THE ISSUANCE DATE OF THIS NOTE, PROMPTLY MAKE AVAILABLE TO THE HOLDER UPON REQUEST THE INFORMATION DESCRIBED IN TREASURY REGULATION §1.1275-3(B)(1)(I). MR. GROSSMAN MAY BE REACHED AT TELEPHONE NUMBER +972-3-791-3200.

HUB CYBER SECURITY LTD

SERIES [B-[#][1]] SUBORDINATED CONVERTIBLE NOTE

Issuance Date: [ ]
Exchange Date: [ ]

Original Principal Amount: U.S. $[●][2]

FOR VALUE RECEIVED, Hub Cyber Security Ltd, a company incorporated under the laws of the State of Israel (the "**Company**"), hereby promises to pay to the order of [INVESTOR] or its registered assigns ("**Holder**") the amount set forth above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "**Principal**") when due, whether upon the Maturity Date, on any Installment Date with respect to the Installment Amount due on such Installment Date (each as defined below), or upon acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and, upon the occurrence and continuance of an Event of Default, to pay interest ("**Interest**") on any outstanding Principal at the applicable Default Rate (as defined below) as the same becomes due and payable, whether upon the Maturity Date or upon acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof).

This Subordinated Convertible Note (including all Subordinated Convertible Notes issued in exchange, transfer or replacement hereof, this "**Note**") (i) is one of an issue of Subordinated Convertible Notes (collectively, the "**Notes**", and such other Subordinated Convertible Notes, the "**Other Notes**") issued (or issuable from time to time) pursuant to those certain Master Exchange Agreements, each dated September __, 2025 (the "**Exchange Agreements**", and the date of each, the "**Exchange Agreement Effective Date**"), and each by and between the Company and each investor signatory thereto (the "**Investors**"), severally, with respect to certain Existing Notes (as defined in the Exchange Agreement) each of which was acquired (or could be acquired) by such applicable Investor party thereto, from time to time and (ii) was issued in exchange for that certain portion of an Existing Note with an Acquired Note Amount (as defined in the applicable Exchange Agreement) of $[INSERT ACQUIRED NOTE AMOUNT], originally issued to [Tamas Gottiener][A.G.P./Alliance Global Partners] on [INSERT ISSUANCE DATE OF ACQUIRED NOTE] (the "**Issuance Date**") and subsequently acquired by the Holder on (and immediately thereafter exchanged into this Note on) [INSERT EXCHANGE DATE] (the "**Exchange Date**") pursuant to [the Gottdiener Securities Purchase Agreement (as amended prior to the date hereof), including, without limitation, pursuant to the Gottdiener Notes Joinder Agreement (as defined in the Exchange Agreements)][the AGP Purchase Agreement (as defined in the Exchange Agreements)]. Certain capitalized terms used herein are defined in Section 34.

1 Note : Each Exchange on an Exchange Date should have its own number
2 Note: See Schedule I to Exchange Agreement for principal/OID.

1. PAYMENTS OF PRINCIPAL. On each Installment Date, the Company shall pay to the Holder an amount equal to the Installment Amount due on such Installment Date in accordance with Section 8. On the Maturity Date, the Company shall pay to the Holder an amount in cash representing all outstanding Principal, accrued and unpaid Interest and accrued and unpaid Late Charges (as defined in Section 27(b)) on such Principal and Interest. Other than as specifically permitted by this Note, the Company may not prepay any portion of the outstanding Principal, accrued and unpaid Interest or accrued and unpaid Late Charges on Principal and Interest, if any.

2. INTEREST; DEFAULT RATE. No Interest shall accrue hereunder unless and until an Event of Default (as defined below) has occurred. From and after the occurrence and during the continuance of any Event of Default, Interest on the outstanding Principal shall accrue hereunder at the Default Rate and shall be computed on the basis of a 360-day year and twelve 30-day months, shall compound each calendar month and shall be payable in arrears on the first Trading Day of each Fiscal Quarter in which Interest accrues hereunder (each, an "**Interest Date**"). Accrued and unpaid Interest, if any, shall also be payable by way of inclusion of such Interest in the Conversion Amount (as defined below) on each Conversion Date (as defined below) in accordance with Section 3(b)(i) or upon any redemption in accordance with Section 14 or any required payment upon any Bankruptcy Event of Default (as defined below). In the event that such Event of Default is subsequently cured (and no other Event of Default then exists (including, without limitation, for the Company's failure to pay such Interest at the Default Rate on the applicable Interest Date)), Interest shall cease to accrue hereunder as of the calendar day immediately following the date of such cure; provided that the Interest as calculated and unpaid during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure of such Event of Default.

3. CONVERSION OF NOTES. At any time after the Exchange Date, this Note shall be convertible into validly issued, fully paid and non-assessable Ordinary Shares (as defined below), on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(d), at any time or times on or after the Exchange Date, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into validly issued, fully paid and non-assessable Ordinary Shares in accordance with Section 3(c), at the Conversion Rate (as defined below). The Company shall not issue any fraction of an Ordinary Share upon any conversion. If the issuance would result in the issuance of a fraction of an Ordinary Share, the Company shall round such fraction of a Ordinary Share up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of Ordinary Shares upon conversion of any Conversion Amount.

(b) Conversion Rate. The number of Ordinary Shares issuable upon conversion of any Conversion Amount pursuant to Section 3(a) shall be determined by dividing (x) such Conversion Amount by (y) the Conversion Price (the "**Conversion Rate**").

(i) "**Conversion Amount**" means the sum of (A) the portion of the Principal of this Note to be converted, redeemed or otherwise with respect to which this determination is being made, (B) accrued and unpaid Interest with respect to such portion of the Principal of this Note, (C) accrued and unpaid Late Charges with respect to such portion of such Principal of this Note and such Interest, and (D) any other unpaid amounts pursuant to the Exchange Documents (as defined in the Exchange Agreements), if any.

(ii) "**Conversion Price**" means, as of any Conversion Date or other date of determination, $2.88, subject to adjustment as provided herein (including, without limitation, pursuant to Sections 3(e), 7 and 8 below).

(c) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into Ordinary Shares on any date (a "**Conversion Date**"), the Holder shall deliver (whether via electronic mail 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 I (each, a "**Conversion Notice**") to the Company. If required by Section 3(c)(iii), within one (1) Trading Day following a conversion of this Note as aforesaid, the Holder shall surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking with respect to this Note in the case of its loss, theft or destruction as contemplated by Section 21(b)). On the date of receipt of a Conversion Notice, the Company shall transmit by electronic mail an acknowledgment, in the form attached hereto as Exhibit II, of confirmation of receipt of such Conversion Notice and representation as to whether such Ordinary Shares may then be resold pursuant to Rule 144 or an effective and available registration statement (each, an "**Acknowledgement**") to the 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 first (1st) Trading Day following the date on which the Company has received a Conversion Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule or regulation for the settlement of a trade initiated on the applicable Conversion Date of such Ordinary Shares issuable pursuant to such Conversion Notice) (the "**Share Delivery Deadline**"), the Company shall (1) provided that the Transfer Agent is participating in The Depository Trust Company's ("**DTC**") Fast Automated Securities Transfer Program ("**FAST**"), credit such aggregate number of Ordinary Shares to which the Holder shall be 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 (2) if the Transfer Agent is not participating in FAST, upon the request of the Holder, issue and deliver (via reputable overnight courier) to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of Ordinary Shares to which the Holder shall be entitled pursuant to such conversion. If this Note is physically surrendered for conversion pursuant to Section 3(c)(iii) and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall as soon as practicable and in no event later than one (1) Business Day after receipt of this Note and at its own expense, issue and deliver to the Holder (or its designee) a new Note (in accordance with Section 21(c)) representing the outstanding Principal not converted. The Person or Persons entitled to receive the Ordinary Shares (the "**Conversion Shares**") issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such Conversion Shares on the Conversion Date; provided, that the Holder shall be deemed to have waived any voting rights of any such Conversion Shares that may arise during the period commencing on such Conversion Date, through and including, such applicable Share Delivery Deadline (each, a "**Conversion Period**"), as necessary, such that the aggregate voting rights of any Ordinary Shares (including such Conversion Shares) beneficially owned by the Holder and/or any Attribution Parties, collectively, on any such applicable date of determination shall not exceed the Maximum Percentage (as defined below) as a result of any such conversion of this Note. In the event of a partial conversion of this Note pursuant hereto, the Principal amount converted shall be deducted from the Installment Amount(s) relating to the Installment Date(s) as set forth in the applicable Conversion Notice.

(ii) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline, = if the Transfer Agent is not participating in FAST, to issue and deliver to the Holder (or its designee) a certificate for the number of Ordinary Shares to which the Holder is entitled and register such Ordinary Shares on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of the Holder or the Holder's designee with DTC for such number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion of this Note (as the case may be) (a "**Conversion Failure**"), then, in addition to all other remedies available to the Holder, (1) the Company shall pay in cash to the Holder on each day after such Share Delivery Deadline that the issuance of such Ordinary Shares is not timely effected an amount equal to 1% (one percent) of the product of (A) the sum of the number of Ordinary Shares not issued to the Holder on or prior to the Share Delivery Deadline and to which the Holder is entitled, multiplied by (B) any trading price of the Ordinary Shares selected by the Holder in writing as in effect at any time during the period beginning on the applicable Conversion Date and ending on the applicable Share Delivery Deadline and (2) the Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any portion of this Note that has not been converted pursuant to such Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 3(c)(ii) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Deadline if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver to the Holder (or its designee) a certificate and register such Ordinary Shares on the Company's share register or, if the Transfer Agent is participating in FAST, the Transfer Agent shall fail to credit the balance account of the Holder or the Holder's designee with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder or pursuant to the Company's obligation pursuant to clause (II) below, and if on or after such Share Delivery Deadline the Holder acquires (in an open market transaction, share loan or otherwise) Ordinary Shares corresponding to all or any portion of the number of Ordinary Shares issuable upon such conversion that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Conversion Failure (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within one (1) Trading Day after receipt of the Holder's request and in the Holder's discretion, either: (I) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, share loan costs and other out-of-pocket expenses, if any) for the Ordinary Shares so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such Ordinary Shares) or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) (and to issue such Ordinary Shares) shall terminate, or (II) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Ordinary Shares or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of Ordinary Shares to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of Ordinary Shares multiplied by (y) the lowest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause (II) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Ordinary Shares (or to electronically deliver such Ordinary Shares) upon the conversion of this Note as required pursuant to the terms hereof.

(iii) Registration; Book-Entry. The Company shall maintain a register (the "**Register**") for the recordation of the names and addresses of the holders of each Note and the principal amount of the Notes held by such holders (the "**Registered Notes**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Notes shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Principal and Interest hereunder) notwithstanding notice to the contrary. A Registered Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Registered Note by the holder thereof, the Company shall record the information contained therein in the Register and issue one or more new Registered Notes in the same aggregate principal amount as the principal amount of the surrendered Registered Note to the designated assignee or transferee pursuant to Section 21, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Registered Note within two (2) Business Days of such a request, then the Register shall be automatically deemed updated to reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section 3, following conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted (in which event this Note shall be delivered to the Company following conversion thereof as contemplated by Section 3(c)(i)) or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion. If the Company does not update the Register to record such Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) within two (2) Business Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence.

(iv) Pro Rata Conversion; Disputes. In the event that the Company receives a Conversion Notice from more than one holder of Notes for the same Conversion Date and the Company can convert some, but not all, of such portions of the Notes submitted for conversion, the Company, subject to Section3(d), shall convert from each holder of Notes electing to have Notes converted on such date a pro rata amount of such holder's portion of its Notes submitted for conversion based on the principal amount of Notes submitted for conversion on such date by such holder relative to the aggregate principal amount of all Notes submitted for conversion on such date. In the event of a dispute as to the number of Ordinary Shares issuable to the Holder in connection with a conversion of this Note, the Company shall issue to the Holder the number of Ordinary Shares not in dispute and resolve such dispute in accordance with Section 26.

(d) Limitations on Conversions. The Company shall not effect the conversion of any portion of this Note, and the Holder shall not have the right to convert any portion of this Note pursuant to the terms and conditions of this Note and any such conversion shall be null and void and treated as if never made, to the extent that after giving effect to such conversion, the Holder together with the other Attribution Parties collectively would "beneficially own" or "hold" (as defined for purposes of Section 13(d) of the 1934 Act) or "hold" (as defined for purposes the Israeli Companies Law, 5759-1999 (the **"Companies Law**")), as applicable, in excess of 4.99% (the "**Maximum Percentage**") of the Ordinary Shares outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of Ordinary Shares beneficially owned or held by the Holder and the other Attribution Parties shall include the number of Ordinary Shares held by the Holder and all other Attribution Parties plus the number of Ordinary Shares issuable upon conversion of this Note with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon (A) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants) beneficially owned or held by the Holder or any other Attribution Party subject to a limitation on conversion analogous to the limitation contained in this Section 3(d). For purposes of this Section 3(d), beneficial ownership and holdings shall be calculated in accordance with Section 13(d) of the 1934 Act and/or holdings shall be calculated in accordance with the Companies Law, as applicable (with, as applicable, such higher result governing any determination hereunder). For purposes of determining the number of outstanding Ordinary Shares the Holder may acquire upon the conversion of this Note without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding Ordinary Shares as reflected in (x) the Company's most recent Annual Report on Form 20-F, Report of Foreign Issuer on Form 6-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent, if any, setting forth the number of Ordinary Shares outstanding (the "**Reported Outstanding Share Number**"). If the Company receives a Conversion Notice from the Holder at a time when the actual number of outstanding Ordinary Shares is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of Ordinary Shares then outstanding and, to the extent that such Conversion Notice would otherwise cause the Holder's beneficial ownership or holdings, as applicable, as determined pursuant to this Section 3(d), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Ordinary Shares to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion of securities of the Company, including this Note, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of Ordinary Shares to the Holder upon conversion of this Note results in the Holder and the other Attribution Parties being deemed to beneficially own or hold, in the aggregate, more than the Maximum Percentage of the number of outstanding Ordinary Shares (as determined in accordance with this Section 3(d)), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall have no rights with respect to the Excess Shares (including, without limitation, no power to vote or transfer the Excess Shares). Upon delivery of a written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company and until the approval of the Company's shareholders has been obtained therefor in accordance with the Companies Law and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of Notes that is not an Attribution Party of the Holder. For purposes of clarity, the Ordinary Shares issuable pursuant to the terms of this Note in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to convert 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. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3(d) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 3(d) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be amended, modified or waived and shall apply to a successor holder of this Note.

(e) Right of Alternate Conversion.

(i) General.

(1) Alternate Optional Conversion. Subject to Section 3(d), at any time, at the option of the Holder, the Holder may convert (each, an "**Alternate Optional Conversion**", and the date of such Alternate Optional Conversion, an "**Alternate Optional Conversion Date**") all, or any part, of this Note into Ordinary Shares (such portion of the Conversion Amount subject to such Alternate Optional Conversion, the "**Alternate Optional Conversion Amount**") at a conversion rate (the "**Alternate Optional Conversion Rate**") equal to the quotient of (x) the Conversion Amount divided by (y) the Alternate Optional Conversion Price.

(2) Subject to Section 3(d), at any time during an Event of Default Redemption Right Period (as defined below) (regardless of whether such Event of Default has been cured, or if the Company has delivered an Event of Default Notice to the Holder or if the Holder has delivered an Event of Default Redemption Notice to the Company or otherwise notified the Company that an Event of Default has occurred), the Holder may, at the Holder's option, convert (each, an "**Alternate Event of Default Conversion**" and together with each Alternate Optional Conversion, each, an "**Alternate Conversion**", and the date of such Alternate Event of Default Conversion, each, an "**Alternate Event of Default Conversion Date**", and together with each Alternate Optional Conversion Date, each, an "**Alternate Conversion Date**") all, or any part of, the Conversion Amount (such portion of the Conversion Amount subject to such Alternate Conversion, the "**Alternate Event of Default Conversion Amount**" and together with each Alternate Optional Conversion Amount, each, an "**Alternate Conversion Amount**") into Ordinary Shares at a conversion rate (the "**Alternate Event of Default Conversion Rate**", and together with the Alternate Optional Conversion Rate, each an "**Alternate Conversion Rate**") equal to the quotient of (x) the Redemption Premium of the Conversion Amount divided by (y) the Alternate Event of Default Conversion Price (and together with the Alternate Optional Conversion Price, each an "**Alternate Conversion Price**").

(ii) Mechanics of Alternate Conversion. On any Alternate Conversion Date, the Holder may voluntarily convert any Alternate Conversion Amount pursuant to Section 3(c) at the applicable Alternate Conversion Rate (for the avoidance of doubt, with the applicable "Alternate Conversion Price" replacing "Conversion Price" for all purposes hereunder with respect to such Alternate Conversion and, solely with respect to the calculation of the number of Ordinary Shares issuable upon conversion of any Conversion Amount in an Alternate Event of Default Conversion, with "Redemption Premium of the Conversion Amount" replacing "Conversion Amount" in clause (x) of the definition of Conversion Rate above with respect to such Alternate Conversion), by designating in the Conversion Notice delivered pursuant to this Section 3(e) of this Note that the Holder is electing to use the applicable Alternate Conversion Price for such conversion; provided that in the event of the Conversion Floor Price Condition, on the applicable Alternate Conversion Date the Company shall also deliver to the Holder the applicable Alternate Conversion Floor Amount. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 3(d), until the Company delivers Ordinary Shares representing the applicable Alternate Conversion Amount to the Holder, such Alternate Conversion Amount may be converted by the Holder into Ordinary Shares pursuant to Section 3(c) without regard to this Section 3(e). In the event of an Alternate Conversion pursuant to this Section 3(e) of all, or any portion, of this Note, the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 3(e), together with the applicable Alternate Conversion Price used in such Alternate Conversion, as applicable, is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**" and each of the events in clauses (ix), (x) and (xi) shall constitute a "**Bankruptcy Event of Default**":

(i) [Intentionally Omitted];

(ii) [Intentionally Omitted];

(iii) the suspension from trading or the failure of the Ordinary Shares to be trading or listed (as applicable) on an Eligible Market for a period of five (5) consecutive Trading Days;

(iv) the Company's (A) failure to cure a Conversion Failure by delivery of the required number of Ordinary Shares within five (5) Trading Days after the applicable Conversion Date (B) notice, written or oral, to any holder of the 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 Notes into Ordinary Shares that is requested in accordance with the provisions of the Notes, other than pursuant to Section 3(d);

(v) except to the extent the Company is in compliance with Section 13(b) below, at any time following the tenth (10^{th}) consecutive day that the Holder's Authorized Share Allocation (as defined in Section 13(a) below) is less than the number of Ordinary Shares that the Holder would be entitled to receive upon a conversion of the full Conversion Amount of this Note (without regard to any limitations on conversion set forth in Section 3(d) or otherwise) at the applicable Alternate Conversion Price then in effect;

(vi) the Company's or any Subsidiary's failure to pay to the Holder any amount of Principal, Interest, Late Charges or other amounts when and as due under this Note (including, without limitation, the Company's or any Subsidiary's failure to pay any redemption payments or amounts hereunder) or any other Exchange Document or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, except, in the case of a failure to pay Interest and Late Charges when and as due, in which case only if such failure remains uncured for a period of at least five (5) Trading Days;

(vii) the Company fails to remove any restrictive legend on any certificate or any Ordinary Shares issued to the Holder upon conversion of any New Securities (as defined in the Exchange Agreements) acquired by the Holder under the Exchange Agreements (including this Note) as and when required by such New Securities or the Exchange Agreements, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for at least five (5) Business Days;

(viii) the occurrence of any acceleration prior to maturity or failure to pay when due (after giving effect to any applicable grace periods and waivers), as applicable, of at least an aggregate of $500,000 of Indebtedness of the Company or any of its Subsidiaries, other than with respect to any Other Notes;

(ix) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Significant Subsidiary and, if instituted against the Company or any Significant Subsidiary by a third party, shall not be dismissed within thirty (30) days of their initiation;

(x) the commencement by the Company or any Significant 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 Significant 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 Significant 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 Significant Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;

(xi) the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Company or any Significant Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (ii) a decree, order, judgment or other similar document adjudging the Company or any Significant 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 Significant Subsidiary under any applicable federal, state or foreign law or (iii) 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 Significant 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 thirty (30) consecutive days;

(xii) a final judgment or judgments for the payment of money aggregating in excess of $500,000 are rendered against the Company and/or any of its Subsidiaries and which judgments are not, within thirty (30) days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay; provided, however, any judgment which is covered by insurance or an indemnity from a credit worthy party shall not be included in calculating the $500,000 amount set forth above so long as the Company provides the Holder a written statement from such insurer or indemnity provider (which written statement shall be reasonably satisfactory to the Holder) to the effect that such judgment is covered by insurance or an indemnity and the Company or such Subsidiary (as the case may be) will receive the proceeds of such insurance or indemnity within thirty (30) days of the issuance of such judgment;

(xiii) the Company and/or any Subsidiary, individually or in the aggregate, fails to pay, when due, or within any applicable grace period, any payment with respect to any Indebtedness in excess of $500,000 due to any third party (other than, with respect to unsecured Indebtedness only, payments contested by the Company and/or such Subsidiary (as the case may be) in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with IFRS) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of $500,000, which breach or violation has resulted in acceleration prior to maturity or failure to pay when due (after giving effect to any applicable grace periods and waivers) of the amounts due thereunder;

(xiv) other than as specifically set forth in another clause of this Section 4(a), the Company or any Subsidiary breaches any representation or warranty, in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Exchange Document, except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of two (2) consecutive Trading Days;

(xv) a false or inaccurate certification (including a false or inaccurate deemed certification) by the Company that either (A) the Equity Conditions are satisfied, (B) there has been no Equity Conditions Failure, or (C) as to whether any Event of Default has occurred;

(xvi) any breach or failure in any respect by the Company or any Subsidiary to comply with any provision of Section 16 of this Note;

(xvii) at any time after January 3, 2026, the authorized Ordinary Shares of the Company fails to equal or exceed 250 million Ordinary Shares (as adjusted for any share split, share combination, recapitalization or similar event).

(xviii) any Material Adverse Effect (as defined in the Exchange Agreements) occurs;

(xix) any Event of Default (as defined in the Other Notes) occurs with respect to any Other Notes.

(b) Notice of an Event of Default; Redemption Right. Upon the occurrence of an Event of Default with respect to this Note or any Other Note, the Company shall within two (2) Business Days deliver written notice thereof via electronic mail and overnight courier (with next day delivery specified) (an "**Event of Default Notice**") to the Holder. At any time after the earlier of the Holder's receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default (such earlier date, the "**Event of Default Right Commencement Date**") and ending (such ending date, the "**Event of Default Right Expiration Date**", and each such period, an "**Event of Default Redemption Right Period**") on the tenth (10^{th}) Trading Day after the later of (x) the date such Event of Default is cured and (y) the Holder's receipt of an Event of Default Notice that includes (I) a reasonable description of the applicable Event of Default, (II) a certification as to whether, in the opinion of the Company, such Event of Default is capable of being cured and, if applicable, a reasonable description of any existing plans of the Company to cure such Event of Default and (III) a certification as to the date the Event of Default occurred and, if cured on or prior to the date of such Event of Default Notice, the applicable Event of Default Right Expiration Date, the Holder may require the Company to redeem (regardless of whether such Event of Default has been cured on or prior to the Event of Default Right Expiration Date) all or any portion of this Note by delivering written notice thereof (the "**Event of Default Redemption Notice**") to the Company, which Event of Default Redemption Notice shall indicate the portion of this Note the Holder is electing to redeem. Each portion of this Note subject to redemption by the Company pursuant to this Section 4(b) shall be redeemed by the Company at a price equal to the greater of (i) the product of (A) the Conversion Amount to be redeemed multiplied by (B) the Redemption Premium and (ii) the product of (X) the Conversion Rate with respect to the Conversion Amount in effect at such time as the Holder delivers an Event of Default Redemption Notice multiplied by (Y) the product of (1) the Redemption Premium multiplied by (2) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date immediately preceding such Event of Default and ending on the date the Company makes the entire payment required to be made under this Section 4(b) (the "**Event of Default Redemption Price**"). Redemptions required by this Section 4(b) shall be made in accordance with the provisions of Section 14. To the extent redemptions required by this Section 4(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 3(d), until the Event of Default Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 4(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to the terms of this Note. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Event of Default Redemption Notice. In the event of the Company's redemption of any portion of this Note under this Section 4(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 4(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. Any redemption upon an Event of Default shall not constitute an election of remedies by the Holder, and all other rights and remedies of the Holder shall be preserved.

(c) Mandatory Redemption upon Bankruptcy Event of Default. Notwithstanding anything to the contrary herein, and notwithstanding any conversion that is then required or in process, upon any Bankruptcy Event of Default, whether occurring prior to or following the Maturity Date, the Company shall immediately pay to the Holder an amount in cash representing (i) all outstanding Principal, accrued and unpaid Interest and accrued and unpaid Late Charges on such Principal and Interest, multiplied by (ii) the Redemption Premium, in addition to any and all other amounts due hereunder, without the requirement for any notice or demand or other action by the Holder or any other person or entity, provided that the Holder may, in its sole discretion, waive such right to receive payment upon a Bankruptcy Event of Default, in whole or in part, and any such waiver shall not affect any other rights of the Holder hereunder, including any other rights in respect of such Bankruptcy Event of Default, any right to conversion, and any right to payment of the Event of Default Redemption Price or any other Redemption Price, as applicable.

5. RIGHTS UPON FUNDAMENTAL TRANSACTION.

(a) Assumption. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under this Note and the other Exchange Documents in accordance with the provisions of this Section 5(a) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to each holder of Notes in exchange for such Notes a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Notes, including, without limitation, having a principal amount and interest rate equal to the principal amounts then outstanding and the interest rates of the Notes held by such holder, having similar conversion rights as the Notes and having similar ranking and security to the Notes, and satisfactory to the Holder. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Exchange Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Exchange Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon conversion or redemption of this Note at any time after the consummation of such Fundamental Transaction, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 6 and 18, which shall continue to be receivable thereafter)) issuable upon the conversion or redemption of the Notes prior to such Fundamental Transaction, such publicly- traded Ordinary Shares or common equity (or their equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Note been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of this Note), as adjusted in accordance with the provisions of this Note. Notwithstanding the foregoing, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 5(a) to permit the Fundamental Transaction without the assumption of this Note. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of this Note.

(b) Notice of a Change of Control; Redemption Right. No sooner than twenty (20) Trading Days nor later than ten (10) Trading Days prior to the consummation of a Change of Control (the "**Change of Control Date**"), but not prior to the public announcement of such Change of Control, the Company shall deliver written notice thereof via electronic mail and overnight courier to the Holder (a "**Change of Control Notice**"). At any time during the period beginning after the Holder's receipt of a Change of Control Notice or the Holder becoming aware of a Change of Control if a Change of Control Notice is not delivered to the Holder in accordance with the immediately preceding sentence (as applicable) and ending on twenty (20) Trading Days after the later of (A) the date of consummation of such Change of Control or (B) the date of receipt of such Change of Control Notice or (C) the date of the announcement of such Change of Control, the Holder may require the Company to redeem all or any portion of this Note by delivering written notice thereof ("**Change of Control Redemption Notice**") to the Company, which Change of Control Redemption Notice shall indicate the Conversion Amount the Holder is electing to redeem. The portion of this Note subject to redemption pursuant to this Section 5 shall be redeemed by the Company in cash at a price equal to the greatest of (i) the product of (x) the Change of Control Redemption Premium multiplied by (y) the Conversion Amount being redeemed, (ii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient determined by dividing (I) the greatest Closing Sale Price of the Ordinary Shares during the period beginning on the date immediately preceding the earlier to occur of (1) the consummation of the applicable Change of Control and (2) the public announcement of such Change of Control and ending on the date the Holder delivers the Change of Control Redemption Notice by (II) the Conversion Price then in effect and (iii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient of (I) the aggregate cash consideration and the aggregate cash value of any non-cash consideration per Ordinary Share to be paid to the holders of the Ordinary Shares upon consummation of such Change of Control (any such non-cash consideration constituting publicly-traded securities shall be valued at the highest of the Closing Sale Price of such securities as of the Trading Day immediately prior to the consummation of such Change of Control, the Closing Sale Price of such securities on the Trading Day immediately following the public announcement of such proposed Change of Control and the Closing Sale Price of such securities on the Trading Day immediately prior to the public announcement of such proposed Change of Control) divided by (II) the Conversion Price then in effect (the "**Change of Control Redemption Price**"). Redemptions required by this Section 5 shall be made in accordance with the provisions of Section 14 and shall have priority to payments to shareholders in connection with such Change of Control. To the extent redemptions required by this Section 5(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5, but subject to Section 3(d), until the Change of Control Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 5(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to Section 3. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Change of Control Redemption Notice. In the event of the Company's redemption of any portion of this Note under this Section 5(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 5(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

6. RIGHTS UPON ISSUANCE OF PURCHASE RIGHTS AND OTHER CORPORATE EVENTS.

(a) Purchase Rights. In addition to any adjustments pursuant to Sections 7 or 18 below, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property pro rata to all or substantially all of 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 conversion of this Note (taking into account the limitation in Section 3(d) on the convertibility of this Note and assuming for such purpose that the Note was converted at the applicable Alternate Conversion Price as of the applicable record date) immediately prior to 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. Without the prior written consent of the Holder, the Company shall not issue, grant or sell Purchase Rights if it would result in the Holder receiving fewer Purchase Rights than the Holder would be entitled to receive pursuant to this Section 6(a) if the Holder had, as of the record date for such Purchase Rights, held the aggregate number of Ordinary Shares acquirable upon complete conversion of this Note (without taking into account the limitation on the convertibility of this Note under Section 3(d) above).

(b) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of Ordinary Shares are entitled to receive securities or other assets with respect to or in exchange for Ordinary Shares (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon a conversion of this Note, at the Holder's option (i) in addition to the Ordinary Shares receivable upon such conversion, such securities or other assets to which the Holder would have been entitled with respect to such Ordinary Shares had such Ordinary Shares been held by the Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of this Note) or (ii) in lieu of the Ordinary Shares otherwise receivable upon such conversion, such securities or other assets received by the holders of Ordinary Shares in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with conversion rights for the form of such consideration (as opposed to Ordinary Shares) at a conversion rate for such consideration commensurate with the Conversion Rate. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder. The provisions of this Section 6 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion or redemption of this Note.

7. RIGHTS UPON ISSUANCE OF OTHER SECURITIES.

(a) Adjustment of Conversion Price upon Issuance of Ordinary Shares. If and whenever on or after the Exchange Agreement Effective Date the Company grants, issues or sells (or enters into any agreement to grant, issue or sell), or in accordance with this Section 7(a) is deemed to have granted, issued or sold, any Ordinary Shares (including the granting, issuance or sale of Ordinary Shares owned or held by or for the account of the Company, but excluding any Excluded Securities granted, issued or sold or deemed to have been granted, issued or sold) for a consideration per share (the "**New Issuance Price**") less than a price equal to the Conversion Price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (such Conversion Price then in effect is referred to herein as the "**Applicable Price**") (the foregoing a "**Dilutive Issuance**"), then, immediately after such Dilutive Issuance, the Conversion Price then in effect shall be reduced to an amount equal to the New Issuance Price. For all purposes of the foregoing (including, without limitation, determining the adjusted Conversion Price and the New Issuance Price under this Section 7(a)), the following shall be applicable:

(i) Issuance of Options. If the Company in any manner grants, issues or sells (or enters into any agreement to grant, issue or sell) any Options and the lowest price per share for which one Ordinary Share is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting, issuance or sale of such Option for such price per share. For purposes of this Section 7(a)(i), the "lowest price per share for which one Ordinary Share is at any time issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one Ordinary Share upon the granting, issuance or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof and (y) the lowest exercise price set forth in such Option for which one Ordinary Share is issuable (or may become issuable assuming all possible market conditions) upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option or otherwise pursuant to the terms thereof, minus (2) the sum of all amounts paid or payable to the holder of such Option (or any other Person) with respect to any one Ordinary Share upon the granting, issuance or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option or otherwise pursuant to the terms thereof plus the value of any other consideration (including, without limitation, consideration consisting of cash, debt forgiveness, assets or any other property) received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Conversion Price shall be made upon the actual issuance of such Ordinary Share or of such Convertible Securities upon the exercise of such Options or otherwise pursuant to the terms thereof or upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells (or enters into any agreement to issue or sell) any Convertible Securities and the lowest price per share for which one Ordinary Share is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Ordinary Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale (or the time of execution of such agreement to issue or sell, as applicable) of such Convertible Securities for such price per share. For the purposes of this Section 7(a)(ii), the "lowest price per share for which one Ordinary Share is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one Ordinary Share upon the issuance or sale (or pursuant to the agreement to issue or sell, as applicable) of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security or otherwise pursuant to the terms thereof and (y) the lowest conversion price set forth in such Convertible Security for which one Ordinary Share is issuable (or may become issuable assuming all possible market conditions) upon conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) with respect to any one Ordinary Share upon the issuance or sale (or the agreement to issue or sell, as applicable) of such Convertible Security plus the value of any other consideration received or receivable (including, without limitation, any consideration consisting of cash, debt forgiveness, assets or other property) by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Conversion Price shall be made upon the actual issuance of such Ordinary Shares upon conversion, exercise or exchange of such Convertible Securities or otherwise pursuant to the terms thereof, and if any such issuance or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of the Conversion Price has been or is to be made pursuant to other provisions of this Section 7(a), except as contemplated below, no further adjustment of the Conversion Price shall be made by reason of such issuance or sale.

(iii) Change in Option Price or Rate of Conversion. If the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Ordinary Shares increases or decreases at any time (other than proportional changes in conversion or exercise prices, as applicable, in connection with an event referred to in Section 7(b) below), the Conversion Price in effect at the time of such increase or decrease shall be adjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate (as the case may be) at the time initially granted, issued or sold. For purposes of this Section 7(a)(iii), if the terms of any Option or Convertible Security (including, without limitation, any Option or Convertible Security that was outstanding as of the Exchange Agreement Effective Date) are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Ordinary Shares deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 7(a) shall be made if such adjustment would result in an increase of the Conversion Price then in effect.

(iv) Calculation of Consideration Received. If any Option and/or Convertible Security and/or Adjustment Right is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company (as determined by the Holder, the "**Primary Security**", and such Option and/or Convertible Security and/or Adjustment Right, the "**Secondary Securities**"), together comprising one integrated transaction (or one or more transactions if such issuances or sales or deemed issuances or sales of securities of the Company either (A) have at least one investor or purchaser in common, (B) are consummated in reasonable proximity to each other and/or (C) are consummated under the same plan of financing), the aggregate consideration per Ordinary Share with respect to such Primary Security shall be deemed to be equal to the difference of (x) the lowest price per share for which one Ordinary Share was issued (or was deemed to be issued pursuant to Section 7(a)(i) or 7(a)(ii) above, as applicable) in such integrated transaction solely with respect to such Primary Security, minus (y) with respect to such Secondary Securities, the sum of (I) the Black Scholes Consideration Value of each such Option, if any, (II) the fair market value (as determined by the Holder in good faith) or the Black Scholes Consideration Value, as applicable, of such Adjustment Right, if any, and (III) the fair market value (as determined by the Holder) of such Convertible Security, if any, in each case, as determined on a per share basis in accordance with this Section 7(a)(iv). If any Ordinary Shares, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor (for the purpose of determining the consideration paid for such Ordinary Shares, Option or Convertible Security, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the net amount of consideration received by the Company therefor. If any Ordinary Shares, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company (for the purpose of determining the consideration paid for such Ordinary Shares, Options or Convertible Securities, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any Ordinary Shares, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor (for the purpose of determining the consideration paid for such Ordinary Shares, Options or Convertible Securities, but not for the purpose of the calculation of the Black Scholes Consideration Value) will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Ordinary Shares, Options or Convertible Securities (as the case may be). The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "**Valuation Event**"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10^{th}) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If the Company takes a record of the holders of Ordinary Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Ordinary Shares, Options or in Convertible Securities or (B) to subscribe for or purchase Ordinary Shares, Options or Convertible Securities, then such record date will be deemed to be the date of the issuance or sale of the Ordinary Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(b) Adjustment of Conversion Price upon Subdivision or Combination of Ordinary Shares. Without limiting any provision of Section 6, Section 18 or Section 7(a), if the Company at any time on or after the Exchange Agreement Effective Date subdivides (by any share split, share dividend, share combination, recapitalization or other similar transaction) one or more classes of its outstanding Ordinary Shares into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Section 6, Section 18 or Section 7(a), if the Company at any time on or after the Exchange Agreement Effective Date combines (by any share split, share dividend, share combination, recapitalization or other similar transaction) one or more classes of its outstanding Ordinary Shares into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7(b) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(b) 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.

(c) Holder's Right of Adjusted Conversion Price. In addition to and not in limitation of the other provisions of this Section 7, if the Company in any manner issues or sells or enters into any agreement to issue or sell, any Ordinary Shares, Options or Convertible Securities (other than a Permitted VRT) (any such securities, "**Variable Price Securities**"), after the Exchange Agreement Effective Date that are issuable pursuant to such agreement or convertible into or exchangeable or exercisable for Ordinary Shares at a price which varies or may vary with the market price of the Ordinary Shares, including by way of one or more reset(s) to a fixed price, but exclusive of such formulations reflecting customary anti-dilution provisions (such as share splits, share combinations, share dividends and similar transactions) (each of the formulations for such variable price being herein referred to as, the "**Variable Price**"), the Company shall provide written notice thereof via electronic mail and overnight courier to the Holder on the date of such agreement and the issuance of such Ordinary Shares, Convertible Securities or Options. From and after the date the Company enters into such agreement or issues any such Variable Price Securities, the Holder shall have the right, but not the obligation, in its sole discretion to substitute the Variable Price for the Conversion Price upon conversion of this Note by designating in the Conversion Notice delivered upon any conversion of this Note that solely for purposes of such conversion the Holder is relying on the Variable Price rather than the Conversion Price then in effect. The Holder's election to rely on a Variable Price for a particular conversion of this Note shall not obligate the Holder to rely on a Variable Price for any future conversion of this Note.

(d) Other Events. In the event that the Company (or any Subsidiary) 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 7 but not expressly provided for by such provisions (including, without limitation, the granting of share appreciation rights, phantom share 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 so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 7(d) will increase the Conversion Price as otherwise determined pursuant to this Section 7, 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 absent manifest error and whose fees and expenses shall be borne by the Company.

(e) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest cent or 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.

(f) Voluntary Adjustment by Company. Subject to the rules and regulations of the Principal Market, the Company may at any time during the term of this Note, with the prior written consent of the Holder, reduce the then current Conversion Price of each of the Notes to any amount and for any period of time deemed appropriate by the board of directors of the Company.

8. INSTALLMENT CONVERSION OR REDEMPTION.

(a) General. On each applicable Installment Date, provided there has been no Equity Conditions Failure, the Company shall pay to the Holder of this Note the applicable Installment Amount due on such date by converting such Installment Amount in accordance with this Section 8 (a "**Installment Conversion**"); provided, however, that the Company may, at its option following notice to the Holder as set forth below, pay the Installment Amount by redeeming such Installment Amount in cash (a "**Installment Redemption**") or by any combination of an Installment Conversion and an Installment Redemption so long as all of the outstanding applicable Installment Amount due on any Installment Date shall be converted and/or redeemed by the Company on the applicable Installment Date, subject to the provisions of this Section 8. On the date which is the twenty-first (21st) Trading Day prior to each Installment Date (or, with respect to the initial Installment Date, the Initial Installment Notice Due Date) (each, an "**Installment Notice Due Date**"), the Company shall deliver written notice (each, a "**Installment Notice**" and the date all of the holders receive such notice is referred to as to the "**Installment Notice Date**"), to each holder of Notes and such Installment Notice shall (i) either (A) confirm that the applicable Installment Amount of such holder's Note shall be converted in whole pursuant to an Installment Conversion or (B) (1) state that the Company elects to redeem for cash, or is required to redeem for cash in accordance with the provisions of the Notes, in whole or in part, the applicable Installment Amount pursuant to an Installment Redemption and (2) specify the portion of such Installment Amount which the Company elects or is required to redeem pursuant to an Installment Redemption (such amount to be redeemed in cash, the "**Installment Redemption Amount**") and the portion of the applicable Installment Amount, if any, with respect to which the Company will, and is permitted to, effect an Installment Conversion (such amount of the applicable Installment Amount so specified to be so converted pursuant to this Section 8 is referred to herein as the "**Installment Conversion Amount**"), which amounts when added together, must at least equal the entire applicable Installment Amount and (ii) if the applicable Installment Amount is to be paid, in whole or in part, pursuant to an Installment Conversion, certify that there is not then an Equity Conditions Failure as of the applicable Installment Notice Date. Each Installment Notice shall be irrevocable. If the Company does not timely deliver an Installment Notice in accordance with this Section 8 with respect to a particular Installment Date, then the Company shall be deemed to have delivered an irrevocable Installment Notice confirming an Installment Conversion of the entire Installment Amount payable on such Installment Date and shall be deemed to have certified that there is not then an Equity Conditions Failure in connection with such Installment Conversion. The applicable Installment Conversion Amount (whether set forth in the applicable Installment Notice or by operation of this Section 8) shall be converted in accordance with Section 8(b) and the applicable Installment Redemption Amount shall be redeemed in accordance with Section 8(c).

(b) Mechanics of Installment Conversion. Subject to Section 3(d), if the Company delivers an Installment Notice or is deemed to have delivered an Installment Notice certifying that such Installment Amount is being paid, in whole or in part, in an Installment Conversion in accordance with Section 8(a), then the remainder of this Section 8(b) shall apply. The applicable Installment Conversion Amount, if any, shall be converted on the applicable Installment Date at the applicable Installment Conversion Price and the Company shall, on such Installment Date, (A) deliver to the Holder's account with DTC such Ordinary Shares issued upon such conversion (subject to the reduction contemplated by the immediately following sentence and, if applicable, the penultimate sentence of this Section 8(b)) and (B) in the event of the Conversion Floor Price Condition, the Company shall deliver to the Holder the applicable Installment Conversion Floor Amount, provided that the Equity Conditions are then satisfied (or waived in writing by the Holder) on such Installment Date and an Installment Conversion is not otherwise prohibited under any other provision of this Note. If the Company confirmed (or is deemed to have confirmed by operation of Section 8(a)) the conversion of the applicable Installment Conversion Amount, in whole or in part, and there was no Equity Conditions Failure as of the applicable Installment Notice Date (or is deemed to have certified that the Equity Conditions in connection with any such conversion have been satisfied by operation of Section 8(a)) but an Equity Conditions Failure occurred between the applicable Installment Notice Date and any time through the applicable Installment Date (the "**Interim Installment Period**"), the Company shall provide the Holder a subsequent notice to that effect. If there is an Equity Conditions Failure (which is not waived in writing by the Holder) during such Interim Installment Period or an Installment Conversion is not otherwise permitted under any other provision of this Note, then, at the option of the Holder designated in writing to the Company, the Holder may require the Company to do any one or more of the following: (i) the Company shall redeem all or any part designated by the Holder of the unconverted Installment Conversion Amount (such designated amount is referred to as the "**Designated Redemption Amount**") and the Company shall pay to the Holder within one (1) Trading Day of such Installment Date, by wire transfer of immediately available funds, an amount in cash equal to 125% of such Designated Redemption Amount, and/or (ii) the Installment Conversion shall be null and void with respect to all or any part designated by the Holder of the unconverted Installment Conversion Amount and the Holder shall be entitled to all the rights of a holder of this Note with respect to such designated part of the Installment Conversion Amount; provided, however, the Conversion Price for such designated part of such unconverted Installment Conversion Amount shall thereafter be adjusted to equal the lesser of (A) the Installment Conversion Price as in effect on the date on which the Holder voided the Installment Conversion and (B) the Installment Conversion Price that would be in effect on the date on which the Holder delivers a Conversion Notice relating thereto as if such date was an Installment Date. If the Company fails to redeem any Designated Redemption Amount by the first (1^{st}) Trading day following the applicable Installment Date by payment of such amount by such date, then the Holder shall have the rights set forth in Section 14(a) as if the Company failed to pay the applicable Installment Redemption Price (as defined below) and all other rights under this Note (including, without limitation, such failure constituting an Event of Default described in Section 4(a)(vi)). Notwithstanding anything to the contrary in this Section 8(b), but subject to 3(d), until the Company delivers Ordinary Shares representing the Installment Conversion Amount to the Holder, the Installment Conversion Amount may be converted by the Holder into Ordinary Shares pursuant to Section 3. In the event that the Holder elects to convert the Installment Conversion Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Conversion Amount so converted shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. The Company shall pay any and all taxes that may be payable with respect to the issuance and delivery of any Ordinary Shares in any Installment Conversion hereunder.

(c) Mechanics of Installment Redemption. If the Company elects or is required to effect an Installment Redemption, in whole or in part, in accordance with Section 8(a), then the Installment Redemption Amount, if any, shall be redeemed by the Company in cash on the applicable Installment Date by wire transfer to the Holder of immediately available funds in an amount equal to 100% of the applicable Installment Redemption Amount (the "**Installment Redemption Price**"). If the Company fails to redeem such Installment Redemption Amount on such Installment Date by payment of the Installment Redemption Price, then, at the option of the Holder designated in writing to the Company (any such designation shall be a "**Conversion Notice**" for purposes of this Note), the Holder may require the Company to convert all or any part of the Installment Redemption Amount at the Installment Conversion Price (determined as of the date of such designation as if such date were an Installment Date). Conversions required by this Section 8(c) shall be made in accordance with the provisions of Section 3(c). Notwithstanding anything to the contrary in this Section 8(c), but subject to Section 3(d), until the Installment Redemption Price (together with any Late Charges thereon) is paid in full, the Installment Redemption Amount (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Ordinary Shares pursuant to Section 3. In the event the Holder elects to convert all or any portion of the Installment Redemption Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Redemption Amount so converted shall be deducted from the Installment Amounts relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. Redemptions required by this Section 8(c) shall be made in accordance with the provisions of Section 14.

(d) Acceleration of Installment Amounts. Notwithstanding anything herein to the contrary, if the Company has elected to effect an Installment Conversion with respect to an Installment Date (each, a "**Current Installment Date**"), during the period commencing on such Current Installment Date and ending on the Trading Day immediately prior to the next Installment Date (each, an "**Installment Period**"), at the option of the Holder, at one or more times, the Holder may convert other Installment Amounts (each, an "**Acceleration**", and each such amount, an "**Acceleration Amount**", and the Conversion Date of any such Acceleration, each an "**Acceleration Date**"), in whole or in part, at the Acceleration Conversion Price then in effect in accordance with the conversion procedures set forth in Section 3 hereunder, *mutatis mutandis*; provided, that if a Conversion Floor Price Condition exists with respect to such Acceleration Date, with each Acceleration the Company shall also deliver to the Holder the Acceleration Floor Amount on each applicable Share Delivery Deadline with respect thereto.

9. REDEMPTIONS AT THE COMPANY'S ELECTION.

(a) Company Optional Redemption. At any time the Company shall have the right to redeem all, or any part, of the Conversion Amount then remaining under this Note (each, a "**Company Optional Redemption Amount**") on the Company Optional Redemption Date (each as defined below) (each, a "**Company Optional Redemption**"). The portion of this Note subject to redemption pursuant to this Section 9(a) shall be redeemed by the Company in cash at a price (each, a "**Company Optional Redemption Price**") equal to 120% of the Conversion Amount being redeemed as of the Company Optional Redemption Date. The Company may exercise its right to require redemption under this Section 9(a) by delivering a written notice thereof by electronic mail and overnight courier to all, but not less than all, of the holders of Notes (each, an "**Company Optional Redemption Notice**" and each date all of the holders of Notes received such notice is referred to as a "**Company Optional Redemption Notice Date**"). The Company may deliver only one Company Optional Redemption Notice hereunder in any given twenty (20) Trading Day period and each Company Optional Redemption Notice shall be irrevocable. The Company Optional Redemption Notice shall (x) state the date on which the Company Optional Redemption shall occur (each, an "**Company Optional Redemption Date**") which date shall not be less than twenty (20) Trading Days nor more than one hundred (100) Trading Days following the Company Optional Redemption Notice Date, and (y) state the aggregate Conversion Amount of the Notes which is being redeemed in such Company Optional Redemption from the Holder and all of the other holders of the Notes pursuant to this Section 9(a) (and analogous provisions under the Other Notes) on the Company Optional Redemption Date. All Conversion Amounts converted by the Holder after the Company Optional Redemption Notice Date shall reduce the Company Optional Redemption Amount of this Note required to be redeemed on the Company Optional Redemption Date. Redemptions made pursuant to this Section 9(a) shall be made in accordance with Section 14. In the event of the Company's redemption of any portion of this Note under this Section 9(a), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 9(a) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. For the avoidance of doubt, the Company shall have the right to effect a Company Optional Redemption even if any Event of Default has occurred and continuing, and any Event of Default shall have no effect upon the Holder's right to convert this Note in its discretion.

(b) Pro Rata Redemption Requirement. If the Company elects to cause a Company Optional Redemption of this Note pursuant to Section 9(a) above, then it must simultaneously take the same action with respect to all of the Other Notes.

10. EQUITY LINE OPTIONAL REDEMPTION.

(a) General. At any time on or after the Exchange Date, if the Company sells any Ordinary Shares pursuant to any equity line of credit, at-the-market offering or other similar transaction with any Person (including, with limitation, pursuant to any Permitted VRT) (each, an "**Equity Line**") (and each date the Company sells any Ordinary Shares pursuant to any such Equity Line, each an "**Equity Line Trigger Date**", and each such sale, an "**Eligible Equity Line Transaction**"), the Holder shall have the right, in its sole discretion, to require that the Company redeem in cash (each an "**Equity Line Transaction Optional Redemption**") all, or any portion, of this Note not in excess of (together with any Equity Line Transaction Optional Redemption Amount (as defined in the applicable Other Notes of the Holder) of any Other Notes of the Holder) equal to the Holder's Holder Pro Rata Amount of 30% of the net proceeds of such Eligible Equity Line Transaction (each, an "**Eligible Equity Line Transaction Optional Redemption Amount**") by delivering written notice thereof (each, an "**Equity Line Transaction Optional Redemption Notice**") to the Company.

(b) Mechanics. By no later than 9:00 AM, New York City time on the first (1st) Business Day of the immediately subsequent calendar week after any such Equity Line Trigger Date (each, an "**Eligible Equity Line Transaction Notice Date**"), the Company shall deliver written notice to the Holder (each, an "**Eligible Equity Line Transaction Notice**"). Each Eligible Equity Line Transaction Notice shall specify (i) the aggregate net proceeds (less any reasonable and documented legal fees and expenses) of all Eligible Equity Line Transactions in the prior calendar week (each, an "**Eligible Equity Line Proceeds Amount**") and (ii) the Holder's Holder Pro Rata Amount of 30% of such Eligible Equity Line Proceeds Amount. Each Equity Line Transaction Optional Redemption Notice shall indicate that all, or such applicable portion, as set forth in the applicable Eligible Equity Line Transaction Notice, of the Eligible Equity Line Proceeds Amount the Holder is electing to have redeemed (each, an "**Equity Line Optional Redemption Amount**") and the date of such Equity Line Transaction Optional Redemption (each, an "**Equity Line Optional Redemption Date**"), which shall be the fifth (5th) Business Day after the date of the applicable Equity Line Transaction Optional Redemption Notice. The portion of the Conversion Amount of this Note subject to redemption pursuant to this Section 10 shall be redeemed by the Company in cash at a price equal to 110% of the Eligible Equity Line Transaction Optional Redemption Amount (each, an "**Equity Line Optional Redemption Price**"). Redemptions required by this Section 10 shall be made in accordance with the provisions of Section 14.

11. EXCHANGE RIGHT. Notwithstanding anything herein to the contrary, if the Company or any of its Subsidiaries consummates (or enters into any agreement to consummate) any Subsequent Placement and the Holder elects in writing to the Company to participate in such Subsequent Placement, the Holder may, at the option of the Holder as elected in writing to the Company, exchange all, or any part, of the portion of this Note then outstanding and elected by the Holder to be subject to such exchange (the "**Exchanging Note Amount**") into the securities in such Subsequent Placement (with the aggregate amount of such securities to be issued in such exchange equal to such aggregate amount of such securities with a purchase price valued at 110% of the greater of (i) the Exchanging Note Amount being redeemed and (ii) the product of (1) the quotient of (A) the Exchanging Note Amount being redeemed divided by (b) the applicable Alternate Conversion Price then in effect multiplied by (2) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date immediately preceding such notice and ending on the Trading Day immediately prior to the consummation of such Subsequent Placement).

12. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles of Association of the Company, Memorandum of Association of the Company 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 of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing or any other provision of this Note or the other Exchange Documents, the Company (a) shall not increase the par value of any Ordinary Shares receivable upon conversion of this Note above the Conversion Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Ordinary Shares upon the conversion of this Note. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Exchange Date, the Holder is not permitted to convert this Note in full for any reason (other than pursuant to restrictions set forth in Section 3(d) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such conversion into Ordinary Shares.

13. RESERVATION OF AUTHORIZED SHARES.

(a) Reservation. So long as any Notes remain outstanding, the Company shall at all times reserve at least 200% of the number of Ordinary Shares as shall from time to time be necessary to effect the conversion, including without limitation, Installment Conversions, Alternate Conversions and Accelerations, of all of the Notes then outstanding (without regard to any limitations on conversions and assuming such Notes remain outstanding until the Maturity Date) at the Conversion Price then in effect (the "**Required Reserve Amount**"). The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be allocated pro rata among the holders of the Notes based on the original principal amount of the Existing Notes exchanged (or eligible to exchanged) into Notes by such holder pursuant to the Exchange Agreements or increase in the number of reserved shares, as the case may be (the "**Authorized Share Allocation**"). In the event that a holder shall sell or otherwise transfer any of such holder's Notes, each transferee shall be allocated a pro rata portion of such holder's Authorized Share Allocation. Any Ordinary Shares reserved and allocated to any Person which ceases to hold any Notes shall be allocated to the remaining holders of Notes, pro rata based on the principal amount of the Notes then held by such holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 13(a), and not in limitation thereof, at any time while any of the Notes remain outstanding the Company does not have a sufficient number of authorized and unreserved Ordinary Shares to satisfy its obligation to reserve for issuance upon conversion of the Notes at least a number of Ordinary Shares equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized Ordinary Shares to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its shareholders for the approval of an increase in the number of authorized Ordinary Shares. In connection with such meeting, the Company shall provide each shareholder with a proxy statement and shall use its best efforts to solicit its shareholders' approval of such increase in authorized Ordinary Shares and to cause its board of directors to recommend to the shareholders that they approve such proposal. In the event that the Company is prohibited from issuing Ordinary Shares pursuant to the terms of this Note due to the failure by the Company to have sufficient Ordinary Shares available out of the authorized but unissued Ordinary Shares (such unavailable number of Ordinary Shares, the "**Authorized Failure Shares**"), in lieu of delivering such Authorized Failure Shares to the Holder, the Company shall pay cash in exchange for the redemption of such portion of the Conversion Amount convertible into such Authorized Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorized Failure Shares and (y) the greatest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date the Holder delivers the applicable Conversion Notice with respect to such Authorized Failure Shares to the Company and ending on the date of such issuance and payment under this Section 13(a); and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) Ordinary Shares to deliver in satisfaction of a sale by the Holder of Authorized Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in Section 13(a) or this Section 13(b) shall limit any obligations of the Company under any provision of the Exchange Agreements.

14. REDEMPTIONS.

(a) Mechanics. The Company shall deliver the applicable Event of Default Redemption Price to the Holder in cash within five (5) Business Days after the Company's receipt of the Holder's Event of Default Redemption Notice. If the Holder has submitted a Change of Control Redemption Notice in accordance with Section 5(b), the Company shall deliver the applicable Change of Control Redemption Price to the Holder in cash concurrently with the consummation of such Change of Control if such notice is received prior to the consummation of such Change of Control and within five (5) Business Days after the Company's receipt of such notice otherwise. The Company shall deliver the applicable Company Optional Redemption Price to the Holder in cash on the applicable Company Optional Redemption Date. The Company shall deliver the applicable Equity Line Optional Redemption Price to the Holder in cash on the applicable Equity Line Optional Redemption Date. The Company shall deliver the applicable Installment Redemption Price to the Holder in cash on the applicable Installment Date. Notwithstanding anything herein to the contrary, in connection with any redemption hereunder at a time the Holder is entitled to receive a cash payment under any of the other Exchange Documents, at the option of the Holder delivered in writing to the Company, the applicable Redemption Price hereunder shall be increased by the amount of such cash payment owed to the Holder under such other Exchange Document and, upon payment in full or conversion in accordance herewith, shall satisfy the Company's payment obligation under such other Exchange Document. In the event of a redemption of less than all of the Conversion Amount of this Note, the Company shall promptly cause to be issued and delivered to the Holder a new Note (in accordance with Section 21(c)) representing the outstanding Principal which has not been redeemed. In the event that the Company does not pay the applicable Redemption Price to the Holder within the time period required, at any time thereafter and until the Company pays such unpaid Redemption Price in full, the Holder shall have the option, in lieu of redemption, to require the Company to promptly return to the Holder all or any portion of this Note representing the Conversion Amount that was submitted for redemption and for which the applicable Redemption Price (together with any Late Charges thereon) has not been paid. Upon the Company's receipt of such notice, (x) the applicable Redemption Notice shall be null and void with respect to such Conversion Amount, and (y) the Company shall immediately return this Note, or issue a new Note (in accordance with Section 21(c)), to the Holder, and in each case the principal amount of this Note or such new Note (as the case may be) shall be increased by an amount equal to the difference between (1) the applicable Redemption Price (as the case may be, and as adjusted pursuant to this Section 14, if applicable) minus (2) the Principal portion of the Conversion Amount submitted for redemption. The Holder's delivery of a notice voiding a Redemption Notice and exercise of its rights following such notice shall not affect the Company's obligations to make any payments of Late Charges which have accrued prior to the date of such notice with respect to the Conversion Amount subject to such notice.

(b) Redemption by Other Holders. Upon the Company's receipt of notice from any of the holders of the Other Notes for redemption or repayment as a result of an event or occurrence substantially similar to the events or occurrences described in Section 4(b) or Section 5(b) (each, an "**Other Redemption Notice**"), the Company shall immediately, but no later than one (1) Business Day of its receipt thereof, forward to the Holder by electronic mail a copy of such notice. If the Company receives a Redemption Notice and one or more Other Redemption Notices, during the seven (7) Business Day period beginning on and including the date which is two (2) Business Days prior to the Company's receipt of the Holder's applicable Redemption Notice and ending on and including the date which is two (2) Business Days after the Company's receipt of the Holder's applicable Redemption Notice and the Company is unable to redeem all principal, interest and other amounts designated in such Redemption Notice and such Other Redemption Notices received during such seven (7) Business Day period, then the Company shall redeem a pro rata amount from each holder of the Notes (including the Holder) based on the principal amount of the Notes submitted for redemption pursuant to such Redemption Notice and such Other Redemption Notices received by the Company during such seven (7) Business Day period.

15. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Note, except as required by law (including, without limitation, the Israeli Companies Law, 5759-1999) and as expressly provided in this Note.

16. COVENANTS. Until all of the Notes have been converted, redeemed or otherwise satisfied in accordance with their terms:

(a) Rank. All payments due under this Note (a) shall rank *pari passu* with all Other Notes and (b) shall be senior to all other Indebtedness of the Company and its Subsidiaries (other than Permitted Indebtedness secured by Permitted Liens).

(b) Incurrence of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume or suffer to exist any Indebtedness (other than (i) the Indebtedness evidenced by this Note and the Other Notes and (ii) other Permitted Indebtedness).

(c) Existence of Liens. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Company or any of its Subsidiaries (collectively, "**Liens**") other than Permitted Liens.

(d) Restricted Payments and Investments. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Indebtedness (other than the Notes) whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness or make any Investment, as applicable, if at the time such payment with respect to such Indebtedness and/or Investment, as applicable, is due or is otherwise made or, after giving effect to such payment, (i) an event constituting an Event of Default has occurred and is continuing or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing.

(e) 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 or declare or pay any cash dividend or distribution on any of its share capital.

(f) Restriction on Transfer of Assets. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of the Company or any Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions (each, an "**Asset Sale**"), other than (i) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by the Company and its Subsidiaries in the ordinary course of business consistent with its past practice, (ii) sales of inventory and product in the ordinary course of business and (iii) the sale of the Company's Qpoint subsidiaries.

(g) Maturity of Indebtedness. Other than with respect to Permitted Indebtedness secured by Permitted Liens or as set forth on Schedule 16(g) attached hereto, the Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, permit any Indebtedness of the Company or any of its Subsidiaries to mature or accelerate prior to the Maturity Date.

(h) 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 or publicly contemplated to be conducted by the Company and each of its Subsidiaries on the Exchange Agreement Effective 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.

(i) 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.

(j) 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.

(k) Maintenance of Intellectual Property. The Company will, and will cause each of its Subsidiaries to, take all action necessary or advisable to maintain all of the Intellectual Property Rights of the Company and/or any of its Subsidiaries that are necessary or material to the conduct of its business in full force and effect.

(l) 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.

(m) Transactions with Affiliates. The Company shall not, nor shall it permit any of its Subsidiaries to, enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any affiliate, except in accordance with applicable law and for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an affiliate thereof.

(n) Restricted Issuances. The Company shall not, directly or indirectly, without the prior written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, (i) issue any Notes (other than as contemplated by the Exchange Agreements and the Notes) or (ii) issue any other securities that would cause a breach or default under the Notes.

(o) Stay, Extension and Usury Laws. To the extent that it may lawfully do so, the Company (A) agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law (wherever or whenever enacted or in force) that may affect the covenants or the performance of this Note; and (B) expressly waives all benefits or advantages of any such law and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power granted to the Holder by this Note, but will suffer and permit the execution of every such power as though no such law has been enacted.

(p) Taxes. The Company and its Subsidiaries shall pay when due all taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against the Company and its Subsidiaries or their respective assets or upon their ownership, possession, use, operation or disposition thereof or upon their rents, receipts or earnings arising therefrom (except where the failure to pay would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). The Company and its Subsidiaries shall file on or before the due date therefor all personal property tax returns (except where the failure to file would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). Notwithstanding the foregoing, the Company and its Subsidiaries may contest, in good faith and by appropriate proceedings, taxes for which they maintain adequate reserves therefor in accordance with IFRS.

(q) Independent Investigation. At the request of the Holder either (x) at any time when an Event of Default has occurred and is continuing, (y) upon the occurrence of an event that with the passage of time or giving of notice would constitute an Event of Default or (z) at any time the Holder reasonably believes an Event of Default may have occurred or be continuing, the Company shall hire an independent, reputable investment bank selected by the Company and approved by the Holder to investigate as to whether any breach of this Note has occurred (the "**Independent Investigator**"). If the Independent Investigator determines that such breach of this Note has occurred, the Independent Investigator shall notify the Company of such breach and the Company shall deliver written notice to each holder of a Note of such breach. The Company shall furnish the Independent Investigator with such financial and operating data and other information with respect to the business and properties of the Company as the Independent Investigator may reasonably request, if being understood that the Company shall not be required to provide information this is confidential or secret (without a confidentiality agreement reasonably acceptable to the parties) or subject to attorney-client or other evidentiary privilege. The Company shall permit the Independent Investigator to discuss the affairs, finances and accounts of the Company with, and to make proposals and furnish advice with respect thereto to, the Company's officers, all at such reasonable times, upon reasonable notice, and as often as may be reasonably requested.

17. SUBORDINATION. Notwithstanding anything to the contrary contained in the Exchange Documents, the rights of the Holder to receive any cash payments hereunder (other than any required cash payments hereunder arising pursuant to Section 5(b) (solely with respect to a Going Private Transaction) and/or Section 10, as applicable, which shall not be subject to any subordination or subrogation provisions herein or in any other document or agreement), shall be expressly subordinate and junior in right of payment to the prior the satisfaction in full of any amounts outstanding (other than unasserted contingent obligations) pursuant to the terms of the Permitted Senior Indebtedness as in effect as of the Exchange Agreement Effective Date (without regard to any amendment, modification or waiver thereto after the Exchange Agreement Effective Date); provided, that nothing herein shall be deemed to subordinate (a) the Holder's right (to the extent established pursuant to one or more definitive agreements with the Company after the date hereof) to receive any equity security(ies) of the Company in exchange for all, or any part, of the Conversion Amount hereunder (or any other amounts outstanding hereunder from time to time, as applicable) (each, an "**Exchange Security**") or (b) any cash or other proceeds received, directly or indirectly, by the Holder from the sale or other disposition of any such Exchange Security. The subordination provisions set forth in this Section 17 are for the benefit of the holders of the Permitted Senior Indebtedness. No right of any agent for the holders of the Permitted Senior Indebtedness to enforce the subordination provisions herein shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or the Holder or by any noncompliance by the Company or the Holder with the terms herein. The holders of the Permitted Senior Indebtedness and their respective agents shall be a third party beneficiaries of the subordination provisions set forth in this Section 17.

18. DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Sections 6(a) or 7, if the Company shall declare or make any dividend or other distributions of its assets (or rights to acquire its assets) to any or all holders of Ordinary Shares, by way of return of capital or otherwise (including without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (the "**Distributions**"), then the Holder will be entitled to such Distributions as if the Holder had held the number of Ordinary Shares acquirable upon conversion of this Note (taking into account the limitation on the convertibility of this Note under Section 3(d) and assuming for such purpose that the Note was converted at the applicable Alternate Conversion Price as of the applicable record date) immediately prior to 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 such Distributions. Without the prior written consent of the Holder, the Company shall not declare or make any Distribution to any Person if it would result in a smaller Distribution to the Holder pursuant to this Section 18 than the Distribution that would be made to the Holder if the Holder had, as of the record date for such Distribution, held the aggregate number of Ordinary Shares acquirable upon complete conversion of this Note (without taking into account the limitation on the convertibility of this Note under Section 3(d) above).

19. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d) and this Section 19, which may not be amended, modified or waived hereunder, the prior written consent of the Company and the holder(s) of a majority of the aggregate outstanding principal amount of the Notes issued pursuant to the Exchange Agreements shall be required for any amendment, modification or waiver to this Note. Any amendment, modification or waiver so approved shall be binding upon all existing and future holders of this Note and any Other Notes; provided, however, that no such change, waiver or, as applied to any of the Notes held by any particular holder of Notes, shall, without the written consent of that particular holder, (i) reduce the amount of Principal, reduce the amount of accrued and unpaid Interest, or extend the Maturity Date, of the Notes, (ii) disproportionally and adversely affect any rights under the Notes of any holder of Notes; or (iii) modify any of the provisions of, or impair the right of any holder of Notes under, this Section 19.

20. TRANSFER. This Note and any Ordinary Shares issued upon conversion of this Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company.

21. REISSUANCE OF THIS 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 21(c)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 21(c)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 3(c)(iii) following conversion or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal 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 21(c)) representing the outstanding Principal.

(c) 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 21(c) and in principal amounts of at least $1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. 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 Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 21(a) or Section 21(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal 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, (iv) shall have the same rights and conditions as this Note, (v) shall have an exchange date, as indicated on the face of such new Note, which is the same as the Exchange Date of this Note, and (vi) shall represent accrued and unpaid Interest and Late Charges on the Principal and Interest of this Note, from the Exchange Date.

22. 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 any of the other Exchange Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Holder of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. In addition, the exercise of any right or remedy of the Holder at law or equity or under this Note or any of the documents shall not be deemed to be an election of Holder's rights or remedies under such documents or at law or equity. 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, conversion 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 shall be entitled, in addition to all other available remedies, to 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. 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 7).

23. 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 or (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 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. The Company expressly acknowledges and agrees that no amounts due under this Note shall be affected, or limited, by the fact that the purchase price paid for this Note was less than the original Principal amount hereof.

24. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the initial Holder and shall not be construed against any such Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note. 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 Note instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Note. Terms used in this Note and not otherwise defined herein, but defined in the other Exchange Documents, shall have the meanings ascribed to such terms on the Exchange Agreement Effective Date in such other Exchange Documents unless otherwise consented to in writing by the Holder.

25. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the 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. Notwithstanding the foregoing, nothing contained in this Section 25 shall permit any waiver of any provision of Section 3(d).

26. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, an Installment Conversion Price, an Acceleration Conversion Price, an Alternate Conversion Price, a Black Scholes Consideration Value, a VWAP or a fair market value or the arithmetic calculation of a Conversion Rate, or the applicable Redemption Price (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such Installment Conversion Price, such Acceleration Conversion Price, such Alternate Conversion Price, such Black Scholes Consideration Value, such VWAP or such fair market value, or the arithmetic calculation of such Conversion Rate or such applicable Redemption Price (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent, reputable investment bank to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 26 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 26 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under the Delaware Uniform Arbitration Act, as amended, (ii) a dispute relating to a Conversion Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of Ordinary Shares occurred under Section 7(a), (B) the consideration per share at which an issuance or deemed issuance of Ordinary Shares occurred, (C) whether any issuance or sale or deemed issuance or sale of Ordinary Shares was an issuance or sale or deemed issuance or sale of Excluded Securities, (D) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security and (E) whether a Dilutive Issuance occurred, (iii) the terms of this Note and each other applicable Exchange Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Note and any other applicable Exchange Documents, (iv) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 26 to any state or federal court sitting in Wilmington, Delaware in lieu of utilizing the procedures set forth in this Section 26 and (v) nothing in this Section 26 shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this Section 26).

27. NOTICES; CURRENCY; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 7(s) of the Exchange Agreements. 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 therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment 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 grant, issuances, or sales of any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property 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 shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. All dollar amounts referred to in this Note are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Note 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 Note, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation (it being understood and agreed that where an amount is calculated with reference to, or over, a period of time, the date of calculation shall be the final date of such period of time).

(c) 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 a certified check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing (which address, in the case of the Holder, shall initially be as set forth on the signature page of the Holder to the Exchange Agreement of the Holder), provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and 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. Any amount of Principal or other amounts due under the Exchange Documents which is not paid when due (except to the extent such amount is simultaneously accruing Interest at the Default Rate hereunder) shall result in a late charge being incurred and payable by the Company in an amount equal to interest on such amount at the rate of eight percent (8%) per annum from the date such amount was due until the same is paid in full ("**Late Charge**").

28. CANCELLATION. After all Principal, accrued Interest, Late Charges and other amounts at any time owed on this Note have been paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued.

29. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Exchange Agreements.

30. GOVERNING LAW. This Note shall be 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 Delaware, without giving effect to any provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. Except as otherwise required by Section 26 above, each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Wilmington, Delaware, 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 (i) 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, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 26. The Company (on behalf of itself and each of its Subsidiaries) hereby appoints BlackSwan Technologies Inc. as its agent for service of process in Delaware. **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.** The choice of the laws of the State of Delaware as the governing law of this Note is a valid choice of law and would be recognized and given effect to in any action brought before a court of competent jurisdiction in the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries except for those laws (i) which such court considers to be procedural in nature, (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries. The Company or any of their respective properties, assets or revenues does not have any right of immunity under the laws of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries or Delaware law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of the State of Israel or such other jurisdiction applicable to the Company or any of its Subsidiaries or any Delaware or United States federal court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Exchange Documents; and, to the extent that the Company, or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company hereby waives such right to the extent permitted by law and hereby consents to such relief and enforcement as provided in this Note and the other Exchange Documents.

31. JUDGMENT CURRENCY.

(a) If for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 31 referred to as the "**Judgment Currency**") an amount due in U.S. dollars under this Note, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(i) the date actual payment of the amount due, in the case of any proceeding in the courts of Delaware or in the courts of any other jurisdiction that will give effect to such conversion being made on such date: or

(ii) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 31(a)(i) being hereinafter referred to as the "**Judgment Conversion Date**").

(b) If in the case of any proceeding in the court of any jurisdiction referred to in Section 31(a)(i) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of US dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Note.

32. SEVERABILITY. If any provision of this Note 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 Note so long as this Note 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).

33. MAXIMUM PAYMENTS. Without limiting Section 7(n) of the Exchange Agreements, nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

34. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(b) "**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(c) "**Acceleration Conversion Price**" means, with respect to any given Acceleration Date, the lower of (i) the Installment Conversion Price for such Current Installment Date related to such Acceleration Date and (ii) the greater of (x) the Floor Price and (y) the lowest of (x) 80% of the lowest VWAP of the Ordinary Shares for any Trading Day during the twenty (20) consecutive Trading Day period ending on, and including, the Trading Day immediately prior to the Exchange Date and (y) 80% of the lowest VWAP of the Ordinary Shares for any Trading Day during the twenty (20) consecutive Trading Day period ending on, and including, the Trading Day immediately prior to the applicable Acceleration Date and (II) solely respect to any Deferral Amount subject to an Acceleration, the lowest Acceleration Conversion Price of any Installment Date in which such Deferral Amount has been subject to a Deferral hereunder (each, a "**Current Acceleration Conversion Price**"), shall replace such Current Acceleration Conversion Price for any Acceleration of such Deferral Amount hereunder. All such determinations to be appropriately adjusted for any stock split, stock dividend, stock combination or other similar transaction during any such measuring period.

(d) "**Acceleration Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the higher of (I) the highest price that the Ordinary Shares trade at on the Trading Day immediately preceding the relevant Acceleration Date with respect to such Acceleration and (II) the applicable Acceleration Conversion Price of such Acceleration Date and (B) the difference obtained by subtracting (I) the number of shares of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Acceleration from (II) the quotient obtained by dividing (x) the applicable Acceleration Amount that the Holder has elected to be the subject of the applicable Acceleration, by (y) the applicable Acceleration Conversion Price of such Acceleration Date without giving effect to clause (x) of such definition or clause (x) of the definition of the Installment Conversion Price, as applicable.

(e) "**Adjustment Right**" means any right granted with respect to any securities issued in connection with, or with respect to, any issuance or sale (or deemed issuance or sale in accordance with Section 7) of Ordinary Shares (other than rights of the type described in Section 6(a) hereof) that could result in a decrease in the net consideration received by the Company in connection with, or with respect to, such securities (including, without limitation, any cash settlement rights, cash adjustment or other similar rights).

(f) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(g) "**Alternate Conversion Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the VWAP on the day the Holder delivers the applicable Conversion Notice and (B) the difference obtained by subtracting (I) the number of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Alternate Conversion from (II) the quotient obtain by dividing (x) the applicable Conversion Amount that the Holder has elected to be the subject of the applicable Alternate Conversion, by (y) the applicable Alternate Conversion Price without giving effect to clause (x) of such definition.

(h) "**Alternate Event of Default Conversion Price**" means, with respect to any Alternate Event of Default Conversion, that price which shall be the lower of (i) the applicable Conversion Price as in effect on the applicable Conversion Date of the applicable Alternate Event of Default Conversion, and (ii) the greater of (x) the Floor Price and (y) 80% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice (such period, the "**Alternate Event of Default Conversion Measuring Period**"). All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Ordinary Shares during such Alternate Event of Default Conversion Measuring Period.

(i) "**Alternate Optional Conversion Price**" means, with respect to any Alternate Optional Conversion, that price which shall be the lower of (i) the applicable Conversion Price as in effect on the applicable Conversion Date of the applicable Alternate Optional Conversion, and (ii) the greater of (x) the Floor Price and (y) 90% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Conversion Notice (such period, the "**Alternate Optional Conversion Measuring Period**"). All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Ordinary Shares during such Alternate Optional Conversion Measuring Period.

(j) "**Applicable Exchange Date**" means, with respect to any given New Note (as defined in the Exchange Agreements) such date the Company initially issued such New Note in exchange for an Acquired Note (as defined in the Exchange Agreements) pursuant to the terms of the Exchange Agreements.

(k) "**Approved Share Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the Exchange Agreement Effective Date pursuant to which Ordinary Shares and standard options to purchase Ordinary Shares or restricted share units may be issued to any employee, officer, director or consultant for services provided to the Company in their capacity as such.

(l) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Exchange Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's Ordinary Shares would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the 1934 Act or the Companies Law. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(m) "**Black Scholes Consideration Value**" means the value of the applicable Option, Convertible Security or Adjustment Right (as the case may be) as of the date of issuance thereof calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the Closing Sale Price of the Ordinary Shares on the Trading Day immediately preceding the public announcement of the execution of definitive documents with respect to the issuance of such Option, Convertible Security or Adjustment Right (as the case may be), (ii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of such Option, Convertible Security or Adjustment Right (as the case may be) as of the date of issuance of such Option, Convertible Security or Adjustment Right (as the case may be), (iii) a zero cost of borrow and (iv) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the "HVT" function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the date of issuance of such Option, Convertible Security or Adjustment Right (as the case may be).

(n) "**Bloomberg**" means Bloomberg, L.P.

(o) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in The City of New York or Israel are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

(p) "**Change of Control**" means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the Ordinary Shares in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries or (iv) any Going Private Transaction.

(q) "**Change of Control Redemption Premium**" means 115%.

(r) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and 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 last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). 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 26. All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during such period.

(s) "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(t) "**Conversion Floor Price Condition**" means that the relevant Alternate Conversion Price, Acceleration Conversion Price (including any Installment Conversion Price referred to therein) or Installment Conversion Price, as applicable, is being determined based on clause (x) of such definitions.

(u) "**Convertible Securities**" means any shares 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.

(v) "**Current Public Information Failure**" means the failure by the Company for any reason to satisfy the requirements of Rule 144(c)(1) of the 1933 Act, including, without limitation, the failure to satisfy the current public information requirement under Rule 144(c) of the 1933 Act or (y) if the Company has ever been an issuer described in Rule 144(i)(1)(i) or becomes such an issuer in the future, the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) of the 1933 Act.

(w) "**Default Rate**" means, with respect to any determination of the aggregate amount of outstanding accrued, nine percent (9%) per annum.

(x) "**Eligible Market**" means The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, Nasdaq Global Select Market, or the Nasdaq Global Market.

(y) "**Eligible Marketable Securities**" as of any date means marketable securities which would be reflected on a consolidated balance sheet of the Company and its Subsidiaries prepared as of such date in accordance with IFRS, and which are permitted under the Company's investment policies as in effect on the Exchange Date or approved thereafter by the Company's Board of Directors.

(z) "**Equity Conditions**" means, with respect to an given date of determination: (i) on each day during the period beginning thirty (30) calendar days prior to such applicable date of determination and ending on and including such applicable date of determination (or, with respect to the initial Installment Date, during the period beginning on the Initial Installment Notice Due Date and ending on and including the initial Installment Date) all Underlying Securities shall be eligible for sale pursuant to Rule 144 of the 1933 Act without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of the Notes, other issuance of securities with respect to the Notes) and no Current Public Information Failure exists or is continuing; (ii) on each day during the period beginning thirty (30) calendar days prior to the applicable date of determination and ending on and including the applicable date of determination (the "**Equity Conditions Measuring Period**"), the Ordinary Shares (including all Underlying Securities) are listed or designated for quotation (as applicable) on an Eligible Market and shall not have been suspended from trading on an Eligible Market (other than suspensions of not more than two (2) days and occurring prior to the applicable date of determination due to business announcements by the Company) nor shall delisting or suspension by an Eligible Market have been threatened (with a reasonable prospect of delisting occurring after giving effect to all applicable notice, appeal, compliance and hearing periods) or reasonably likely to occur or pending as evidenced by (A) a writing by such Eligible Market or (B) the Company falling below the minimum listing maintenance requirements of the Eligible Market on which the Ordinary Shares are then listed or designated for quotation (as applicable); (iii) during the Equity Conditions Measuring Period, the Company shall have delivered all Ordinary Shares issuable upon conversion of this Note on a timely basis as set forth in Section 3 hereof and all other share capital required to be delivered by the Company on a timely basis as set forth in the other Exchange Documents; (iv) any Ordinary Shares to be issued in connection with the event requiring determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination) may be issued in full without violating Section 3(d) hereof; (v) any Ordinary Shares to be issued in connection with the event requiring determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination (without regards to any limitations on conversion set forth herein)) may be issued in full without violating the rules or regulations of the Eligible Market on which the Ordinary Shares are then listed or designated for quotation (as applicable); (vi) on each day during the Equity Conditions Measuring Period, no public announcement of a pending, proposed or intended Fundamental Transaction shall have occurred which has not been abandoned, terminated or consummated; (vii) the Company shall have no knowledge of any fact that would reasonably be expected to cause any Underlying Securities to not be eligible for sale pursuant to Rule 144 without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of the Notes, other issuance of securities with respect to the Notes) and no Current Public Information Failure exists or is continuing; (viii) the Holder shall not be in (and no other holder of Notes shall be in) possession of any material, non-public information provided to any of them by the Company, any of its Subsidiaries or any of their respective affiliates, employees, officers, representatives, agents or the like; (ix) on each day during the Equity Conditions Measuring Period, the Company otherwise shall have been in compliance with each, and shall not have breached any representation or warranty in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Exchange Document, including, without limitation, the Company shall not have failed to timely make any payment pursuant to any Exchange Document; (x) on each Trading Day during the Equity Conditions Measuring Period, there shall not have occurred any Volume Failure or Price Failure as of such applicable date of determination; (xi) on the applicable date of determination (A) no Authorized Share Failure shall exist or be continuing and all Ordinary Shares to be issued in connection with the event requiring this determination (or issuable upon conversion of the Conversion Amount being redeemed, as applicable, in the event requiring this determination at the applicable Alternate Conversion Price then in effect (without regard to any limitations on conversion set forth herein)) (each, a "**Required Minimum Securities Amount**") are available under the articles of association of the Company and reserved by the Company to be issued pursuant to the Notes and (B) all Ordinary Shares to be issued in connection with the event requiring this determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination (without regards to any limitations on conversion set forth herein)) may be issued in full without resulting in an Authorized Share Failure; (xii) on each day during the Equity Conditions Measuring Period, there shall not have occurred and there shall not exist an Event of Default or an event that with the passage of time or giving of notice would constitute an Event of Default; (xiii) no bone fide dispute shall exist, by and between any of holder of Notes, the Company, the Principal Market (or such applicable Eligible Market in which the Ordinary Shares of the Company are then principally trading) and/or FINRA with respect to any term or provision of any Note or any other Exchange Document and (xiv) the Ordinary Shares issuable pursuant the event requiring the satisfaction of the Equity Conditions are duly authorized and listed and eligible for trading without restriction on an Eligible Market.

(aa) "**Equity Conditions Failure**" means that on any day during the period commencing thirty (30) calendar days prior to the applicable date of determination, the Equity Conditions have not been satisfied (or waived in writing by the Holder).

(bb) "**Excluded Securities**" means (i) Ordinary Shares or standard options to purchase Ordinary Shares or restricted share units issued to directors, officers, employees or consultants of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Share Plan provided that the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects the Holder; (ii) Ordinary Shares issued upon the conversion or exercise of Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) issued prior to the Exchange Agreement Effective Date, provided that the conversion price of any such Convertible Securities (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities or Options (other than standard options to purchase Ordinary Shares or restricted share units issued pursuant to an Approved Share Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects the Holder; (iii) the Ordinary Shares issuable upon conversion of the Notes or otherwise pursuant to the terms of the Notes; provided, that the terms of the Notes are not amended, modified or changed on or after the Exchange Agreement Effective Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Exchange Agreement Effective Date); (iv) the Ordinary Shares issuable upon conversion or exercise (as applicable) of the PIPE Securities or otherwise pursuant to the terms of the PIPE Securities; provided, that the terms of the PIPE Securities are not amended, modified or changed on or after the Exchange Agreement Effective Date (other than antidilution adjustments pursuant to the terms thereof in effect as of the Exchange Agreement Effective Date) (v) any Ordinary Shares issued or issuable in connection with any bona fide strategic or commercial alliances, acquisitions, mergers, licensing arrangements, and strategic partnerships, provided, that (x) the primary purpose of such issuance is not to raise capital as reasonably determined, and (y) the purchaser or acquirer or recipient of the securities in such issuance solely consists of either (I) the actual participants in such strategic or commercial alliance, strategic or commercial licensing arrangement or strategic or commercial partnership, (II) the actual owners of such assets or securities acquired in such acquisition or merger or (III) the shareholders, partners, employees, consultants, officers, directors or members of the foregoing Persons, in each case, which is, itself or through its subsidiaries, an operating company or an owner of an asset, in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, and (IV) the number or amount of securities issued to such Persons by the Company shall not be disproportionate to each such Person's actual participation in (or fair market value of the contribution to) such strategic or commercial alliance or strategic or commercial partnership or ownership of such assets or securities to be acquired by the Company, as applicable, and (v) solely with respect to Section 7 herein (and, for the avoidance of doubt, not with respect to Section 10 herein), the Ordinary Shares issued or issuable pursuant to any Permitted VRT solely in accordance with Section 10.

(cc) "**Fiscal Quarter**" means each of the fiscal quarters that ends on March 31, June 60 or September 30.

(dd) "**Fiscal Year**" means the fiscal year that ends on December 31.

(ee) "**Floor Price**" means (x) during an Event of Default Redemption Right Period, [ ][3] or (y) otherwise, $1.00 (in each case, as adjusted for share splits, share dividends, share combinations, recapitalizations and similar events), or such lower amount as the Company may elect in writing from time to time (subject to the rules and regulations of the Principal Market).

(ff) "**Fundamental Transaction**" means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Ordinary Shares be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding Ordinary Shares, (y) 50% of the outstanding Ordinary Shares calculated as if any Ordinary Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of Ordinary Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding Ordinary Shares, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire in any transaction or series or related transactions, either (x) at least 50% of the outstanding Ordinary Shares, (y) at least 50% of the outstanding Ordinary Shares calculated as if any Ordinary Shares held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such share or stock purchase agreement or other business combination were not outstanding; or (z) such number of Ordinary Shares such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding Ordinary Shares, or (v) reorganize, recapitalize or reclassify its Ordinary Shares, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding Ordinary Shares, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares not held by all such Subject Entities as of the date of this Note calculated as if any Ordinary Shares held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding Ordinary Shares or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their Ordinary Shares without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

3 Insert 20% of the Nasdaq Minimum Price as of the Trading Day ended immediately prior to the time of the Exchange (as defined in the Exchange Agreements) related hereto.

(gg) "**Going Private Transaction**" means any transaction or series of transactions that, directly or indirectly, results in the Company and/or the Successor Entity not having Ordinary Shares or common equity, as applicable, registered under the 1934 Act and listed on an Eligible Market.

(hh) "**Group**" means a "group" as that term is used in Section 13(d) of the 1934 Act and as defined in Rule 13d-5 thereunder.

(ii) "**Holder Pro Rata Amount**" means, as of any date of determination, a fraction (i) the numerator of which is the original Principal amount of this Note on the Applicable Exchange Date of this Note and (ii) the denominator of which is the sum of the aggregate original principal amount of all Notes issued on or prior to such date of determination based on the related Applicable Exchange Date for each such Note; provided, that the unused Holder Pro Rata Amount of any Notes that have been issued, but are either not outstanding as of such date of determination (or cease to be outstanding after giving effect to the event requiring such determination) shall be allocated pro rata to any other Notes of such holder or, if such holder does not hold any other Notes, to the other holders of Notes, pro rata.

(jj) "**IFRS**" means International Financial Reporting Standards, consistently applied.

(kk) **"Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with IFRS) (other than trade payables entered into in the ordinary course of business consistent with past practice), (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, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all 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), (F) all monetary obligations under any leasing or similar arrangement which, in connection with IFRS, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) 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 property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above.

(ll) "**Initial Installment Notice Due Date**" means the 30th day following the effectiveness date of the Company's Registration Statement on Form F-1 registering Ordinary Shares issuable pursuant to the Company's equity line of credit, which was initially filed with the Securities and Exchange Commission on September 3, 2025.

(mm) "**Installment Amount**" means the sum of (A) (i) with respect to any Installment Date other than the Maturity Date, the lesser of (x) the quotient of (I) the Principal amount outstanding under this Note as of the initial Installment Date, divided by (II) the number of Installment Dates occurring hereunder (as determined as of the initial Installment Date assuming no Deferrals, Accelerations, redemptions or conversions hereunder prior to the Maturity Date) and (y) the Principal amount then outstanding under this Note as of such Installment Date, and (ii) with respect to the Installment Date that is the Maturity Date, the Principal amount then outstanding under this Note as of such Installment Date (in each case, as any such Installment Amount may be reduced pursuant to the terms of this Note, whether upon conversion, redemption or Deferral), (B) any Deferral Amount deferred pursuant to Section 8(d) and included in such Installment Amount in accordance therewith, (C) any Acceleration Amount accelerated pursuant to Section 8(e) and included in such Installment Amount in accordance therewith and (D) in each case of clauses (A) through (C) above, the sum of any accrued and unpaid Interest as of such Installment Date under this Note, if any, and accrued and unpaid Late Charges, if any, under this Note as of such Installment Date. In the event the Holder shall sell or otherwise transfer any portion of this Note, the transferee shall be allocated a pro rata portion of the each unpaid Installment Amount hereunder.

(nn) "**Installment Conversion Floor Amount**" means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the higher of (I) the highest price that the Ordinary Shares trade at on the Trading Day immediately preceding the relevant Installment Date and (II) the applicable Installment Conversion Price and (B) the difference obtained by subtracting (I) the number of shares of Ordinary Shares delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Installment Conversion from (II) the quotient obtained by dividing (x) such portion of the Conversion Amount that is to be converted into Ordinary Shares in such applicable Installment Conversion, by (y) the applicable Installment Conversion Price without giving effect to clause (x) of such definition.

(oo) "**Installment Conversion Price**" means, with respect to a particular date of determination, the lower of (i) the Conversion Price then in effect, and (ii) the greater of (x) the Floor Price and (y) 90% of the lowest VWAP of the Ordinary Shares during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately prior to the applicable Installment Date. All such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period.

(pp) "**Installment Date**" means (i) the twenty-first (21st) Trading Day after the Initial Installment Notice Due Date, (ii) then, (x) if the first Trading Day of the calendar month immediately following the initial Installment Date occurs less than twenty (20) Trading Days after the initial Installment Date, the first Trading Day of the second calendar month immediately following the initial Installment Date or (y) otherwise, the first Trading Day of the calendar month immediately following the initial Installment Date, (iii) thereafter, the first Trading Day of the calendar month immediately following the previous Installment Date until the Maturity Date, and (iv) the Maturity Date.

(qq) "**Intellectual Property Rights**" means rights or licenses to use all applicable trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor with respect to the Company and/or its Subsidiaries.

(rr) "**Investment**" means any beneficial ownership (including share, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person or the purchase of any assets of another Person for greater than the fair market value of such assets.

(ss) "**Maturity Date**" shall mean [ ], 2027[4]; provided, however, the Maturity Date may be extended at the option of the Holder (i) in the event that, and for so long as, an Event of Default shall have occurred and be continuing or any event shall have occurred and be continuing that with the passage of time and the failure to cure would result in an Event of Default or (ii) through the date that is twenty (20) Business Days after the consummation of a Fundamental Transaction (or, if a Going Private Transaction, at the time of the closing of such Going Private Transaction) in the event that a Fundamental Transaction is publicly announced or a Change of Control Notice is delivered prior to the Maturity Date, provided further that if a Holder elects to convert some or all of this Note pursuant to Section 3 hereof, and the Conversion Amount would be limited pursuant to Section 3(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of this Note.

(tt) "**Nasdaq Minimum Price**" means, as of any time of determination, the lower of: (i) the closing price (as reflected on Nasdaq.com) of the Ordinary Shares as of the Trading Day ended immediately preceding such time of determination; or (ii) the average closing price of the Ordinary Shares (as reflected on Nasdaq.com) for the five trading days ending on, and including as of the Trading Day ended immediately preceding such time of determination.

(uu) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

4 Insert 24 month anniversary of Exchange Date.

(vv) "**Ordinary Shares**" means (i) the Company's Ordinary Shares, no par value, and (ii) any share capital into which such Ordinary Shares shall have been changed or any share capital resulting from a reclassification of such Ordinary Shares.

(ww) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common equity 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.

(xx) "**Permitted Indebtedness**" means (i) Indebtedness evidenced by this Note, the Other Notes and the PIPE Notes, (ii) Indebtedness set forth on Schedule 34(xx) attached hereto, (iii) Indebtedness secured by Permitted Liens or unsecured but as described in clauses (iv) and (v) of the definition of Permitted Liens, (iv) Liens with respect to Permitted Senior Indebtedness, (v) at any time after December 31, 2025, Permitted Subordinated Indebtedness, and (vi) at any time after December 31, 2025, unsecured Indebtedness incurred following the date hereof in the aggregate amount of $10,000,000.

(yy) "**Permitted Liens**" means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with IFRS, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or Indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, or (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, in either case, with respect to Indebtedness in an aggregate amount not to exceed $500,000, (v) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clause (iv) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced does not increase, (vi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods, (vii) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 4(a)(xii), (viii) Liens with respect to the Notes and the Other Notes, as applicable, (ix) Liens with respect to Permitted Senior Indebtedness and (x) Liens set forth on Schedules 34(yy) attached hereto.

(zz) "**Permitted Senior Indebtedness**" means (x) the secured Indebtedness set forth in Schedule 34(rr) attached hereto as in effect as of the date hereof, in an aggregate amount not to exceed $25,000,000 and (y) Indebtedness incurred following the date hereof in the aggregate amount of $5,000,000.

(aaa) "**Permitted Subordinated Indebtedness**" means Indebtedness (other than Convertible Securities) incurred by the Company that is made expressly subordinate in right of payment to the Indebtedness evidenced by this Note, as reflected in a written agreement reasonably acceptable to the Holder, which does not include any equity or equity-linked features or the issuance or transfer of any securities (including, with limitation, any Options or the right to convert, exchange or otherwise satisfy the payment of such Indebtedness with any equity security of the Company or any of its Subsidiaries).

(bbb) "**Permitted VRT**" means an "equity line of credit" offering to any of the Investors (each, a "**Permitted ELOC**") and (y) an "at the market" offering in an arms-length transaction with a bona fide broker-dealer (each, a "**Permitted ATM**")

(ccc) "**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.

(ddd) "**PIPE Securities Purchase Agreements**" means those certain Securities Purchase Agreements, dated June 30, 2205 and August 27, 2205, respectively, by and among the Company and the investors party thereto, pursuant to which the Company issued (and has the right to issue in the future) certain subordinated convertible notes (the "**PIPE Notes**") and warrants to purchase Ordinary Shares (the "**PIPE Warrants**", and together with the PIPE Notes, the "**PIPE Securities**").

(eee) "**Price Failure**" means, with respect to a particular date of determination, the VWAP of the Ordinary Shares on any Trading Day during the twenty (20) Trading Day period ending on the Trading Day immediately preceding such date of determination fails to exceed $1.00 (as adjusted for share splits, share dividends, share combinations, recapitalizations or other similar transactions occurring after the Exchange Agreement Effective Date). All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during any such measuring period. Notwithstanding the foregoing, at any time, and for any period of time, as applicable, the Holder may lower any dollar threshold specified in this definition to any lower dollar threshold, in each case, as specified by the Holder in a written notice to the Company.

(fff) "**Principal Market**" means the Nasdaq Capital Market.

(ggg) "**Redemption Notices**" means, collectively, the Event of Default Redemption Notices, the Installment Notices with respect to any Installment Redemption, the Company Optional Redemption Notices, the Equity Line Transaction Optional Redemption Notices, and the Change of Control Redemption Notices, and each of the foregoing, individually, a "**Redemption Notice**."

(hhh) "**Redemption Premium**" means 120%.

(iii) "**Redemption Prices**" means, collectively, Event of Default Redemption Prices, the Installment Redemption Prices, the Change of Control Redemption Prices, the Equity Line Optional Redemption Prices, and the Company Optional Redemption Prices, and each of the foregoing, individually, a "**Redemption Price**."

(jjj) "**SEC**" means the United States Securities and Exchange Commission or the successor thereto.

(kkk) "**Significant Subsidiary**" shall have the meaning set forth in Rule 1-02 of Regulation S-X.

(lll) **"Subject Entity**" means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(mmm) "**Subsequent Placement**" means any, direct or indirect, issue, offer, sale, grant of any option or right to purchase, or otherwise disposal of (or announcement of any issuance, offer, sale, grant of any option or right to purchase or other disposition of) any equity security or any equity-linked or related security (including, without limitation, any "equity security" (as that term is defined under Rule 405 promulgated under the 1933 Act), any Convertible Securities, Options, any debt, any preferred stock or any purchase rights) by the Company and/or any of its Subsidiaries.

(nnn) "**Subsidiaries**" shall have the meaning as set forth in the Exchange Agreements.

(ooo) "**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.

(ppp) "**Trading Day**" means, as applicable, (x) with respect to all price or trading volume determinations relating to the Ordinary Shares, any day on which the Ordinary Shares are 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 are then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares are 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.

(qqq) "Underlying Securities" means Ordinary Shares issuable upon conversion of Notes.

(rrr) "**Volume Failure**" means, with respect to a particular date of determination, the aggregate daily dollar trading volume (as reported on Bloomberg) of the Ordinary Shares on the Principal Market on any Trading Day during the twenty (20) Trading Day period ending on the Trading Day immediately preceding such date of determination (such period, the "**Volume Failure Measuring Period**"), is less than $50,000. Notwithstanding the foregoing, at any time, and for any period of time, as applicable, the Holder may lower any dollar threshold specified in this definition to any lower dollar threshold, in each case, as specified by the Holder in a written notice to the Company.

(sss) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) 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 a.m., New York time, and ending at 4:00 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 highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). If the 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 26. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

35. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Note, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:00 am, New York city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information on a Report of Foreign Private Issuer on Form 6-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries. Nothing contained in this Section 35 shall limit any obligations of the Company, or any rights of the Holder, under Section [3] of the Exchange Agreements.

36. ABSENCE OF TRADING AND DISCLOSURE RESTRICTIONS. The Company acknowledges and agrees that the Holder is not a fiduciary or agent of the Company and that the Holder shall have no obligation to (a) maintain the confidentiality of any information provided by the Company or (b) refrain from trading any securities while in possession of such information in the absence of a written non-disclosure agreement signed by an officer of the Holder that explicitly provides for such confidentiality and trading restrictions. In the absence of such an executed, written non-disclosure agreement, the Company acknowledges that the Holder may freely trade in any securities issued by the Company, may possess and use any information provided by the Company in connection with such trading activity, and may disclose any such information to any third party.

37. WITHHOLDING TAXES.

(a) Any and all payments made by or on behalf of the Company or any other person under this Note or any other Exchange Document (including any issuance of shares or other securities, or the delivery of any other property, pursuant to this Note or any other Exchange Document) shall be made free and clear of, and without deduction or withholding for or on account of, any taxes; provided, that if the Company or such other person shall be required by applicable law to deduct or withhold any taxes from such payments (such taxes required to be deducted or withheld, "**Indemnified Taxes**"), then the Company or such other Person shall (a) pay the Holder such additional amounts as may be necessary so that after making or allowing for all required withholdings and deductions for taxes (including withholdings and deductions applicable to additional amounts payable under this section), the Holder has received or receives an amount equal to that which the Holder would have had or received had no such withholdings or deductions been required (and, for greater certainty, where the payment is the issuance of shares or other securities of the Company or any other Person, or any other property, such that the Holder receives such shares, securities or other property as if no withholding or deduction for taxes had been imposed, and such that the Company or such other Person fully bears any such taxes); (b) timely remit such taxes directly to the relevant governmental authority; and (c) furnish to the Holder, within a reasonable time, a copy of a receipt issued by such governmental authority evidencing such remittance, a copy of the return reporting such remittance or other evidence of such remittance reasonably satisfactory to the Holder. For greater certainty, for the purposes of this Section 37, the Holder shall include any successor of the Holder and any transferee and assignee in respect of the Holder in respect of this Note or any of the other Exchange Documents.

(b) The Company shall indemnify and hold harmless the Holder within fifteen (15) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 37), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant governmental authority. A certificate setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Company by the Holder shall be conclusive absent manifest error.

(c) Notwithstanding anything to the contrary in this Note or any other Exchange Document, the provisions of this Section 37 shall survive the conversion, redemption, prepayment, termination or cancellation of this Note or any other Exchange Document, as applicable, and any transfer by a Holder of this Note or its rights under any Exchange Document, and will apply, *mutatis mutandis*, to any Successor Entity to the Company or any of its Subsidiaries.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Exchange Date set out above.

HUB CYBER SECURITY LTD

By: _____
Name:
Title:

Convertible Note - Signature Page

EXHIBIT I

HUB CYBER SECURITY LTD
CONVERSION NOTICE

Reference is made to the Subordinated Convertible Note (the "**Note**") issued to the undersigned by Hub Cyber Security Ltd, a company incorporated under the laws of the State of Israel (the "**Company**"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into Ordinary Shares, no par value (the "**Ordinary Shares**"), of the Company, as of the date specified below. Capitalized terms not defined herein shall have the meaning as set forth in the Note.

Date of Conversion: _____

Aggregate Principal to be converted: _____

Aggregate accrued and unpaid Interest and accrued and unpaid Late Charges with respect to such portion of the Aggregate Principal and such Aggregate Interest to be converted: _____

AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Number of Ordinary Shares to be issued: _____

Installment Amount(s) to be reduced (and corresponding Installment Date(s)) and amount of reduction: _____

☐ If this Conversion Notice is being delivered with respect to an Alternate Conversion, check here if Holder is electing to use the following Alternate Conversion Price:_____

☐ If this Conversion Notice is being delivered with respect to an Acceleration, check here if Holder is electing to use _____ as the Acceleration Conversion Price related to the following Installment Date:_____

Notwithstanding anything to the contrary contained herein, this Conversion Notice shall constitute a representation by the Holder of the Note submitting this Conversion Notice that after giving effect to the conversion provided for in this Conversion Notice, such Holder (together with its affiliates) will not have holdings or beneficial ownership (together with the holdings or beneficial ownership of such Person's affiliates) of a number of Ordinary Shares which exceeds the Maximum Percentage (as defined in the Note) of the total outstanding Ordinary Shares of the Company as determined pursuant to the provisions of Section 3(d) of the Note.

Please issue the Ordinary Shares into which the Note is being converted to Holder, or for its benefit, as follows:

☐ Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to: _____

_____

_____

☐ Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant: _____

DTC Number: _____

Account Number: _____

Date: _____ __, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

Tax ID:_____

E-mail Address:

Exhibit II

ACKNOWLEDGMENT

The Company hereby (a) acknowledges this Conversion Notice, (b) certifies that the above indicated number of Ordinary Shares[are][are not] eligible to be resold by the Holder either (i) pursuant to Rule 144 (subject to the Holder's execution and delivery to the Company of a customary 144 representation letter) or (ii) an effective and available registration statement and (c) 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 8.1

LIST OF SUBSIDIARIES

The following table sets forth our material 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 Software Ltd.	Israel
ALD College Ltd.	Israel
QPoint Technologies Ltd.	Israel
QPoint Solutions Ltd.	Israel
Sensecom Consulting & Project Management Ltd.	Israel
Aginix Engineering & Project Management Ltd.	Israel
Comsec Ltd.	Israel
Comsec International Information Security B.V.	The Netherlands
BlackSwan Technologies, Inc.	Delaware, United States
BlackSwan Technologies GmbH	Germany

HUB CYBER SECURITY LTD.
INSIDER TRADING COMPLIANCE POLICY AND PROCEDURES

Federal and state laws prohibit trading in the securities of a company while in possession of material nonpublic information and in breach of a duty of trust or confidence. These laws also prohibit anyone who is aware of material nonpublic information from providing this information to others who may trade. Violating such laws can undermine investor trust, harm the reputation and integrity of Hub Cyber Security Ltd. (together with its subsidiaries, the "Company"), and result in dismissal from the Company or even serious criminal and civil charges against the individual and the Company. The Company reserves the right to take whatever disciplinary or other measure(s) it determines in its sole discretion to be appropriate in any particular situation, including disclosure of wrongdoing to governmental authorities.

Persons Covered and Administration of Policy

This Insider Trading Compliance Policy and Procedures (this "Policy") applies to all directors, officers, employees and consultants of the Company. For purposes of this Policy, "officers" refer to those individuals who meet the definition of "officer" under Section 16 of the Securities Exchange Act of 1934 (as amended, the "Exchange Act"). Individuals subject to this Policy are responsible for ensuring that members of their household comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, limited liability companies, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy as if they were for the individual's own account. Directors, officers, employees and consultants, together with any other person designated as being subject to this Policy by the Chief Legal Officer or his or her designee (the "Compliance Officer"), are referred to collectively as "Covered Persons."

Questions regarding the Policy should be directed to the Compliance Officer, who is responsible for the administration of this Policy.

Policy Statement

No Covered Person shall purchase or sell any type of security while in possession of material nonpublic information relating to the security or the issuer of such security in breach of a duty of trust or confidence, whether the issuer of such security is the Company or any other company. In addition, if a Covered Person is in possession of material nonpublic information about other publicly-traded companies, such as suppliers, customers, competitors or potential acquisition targets, the Covered Person may not trade in such other companies' securities until the information becomes public or is no longer material. Further, no Covered Person shall purchase or sell any security of any other company, including another company in the Company's industry, while in possession of material nonpublic information if such information is obtained in the course of the Covered Person's employment or service with the Company.

In addition, Covered Persons shall not directly or indirectly communicate material nonpublic information to anyone outside the Company (except in accordance with the Company's policies regarding confidential information) or to anyone within the Company other than on a "need-to-know" basis.

*"*Securities*"* includes stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments.

*"*Purchase*"* and *"*sale*"* are defined broadly under the federal securities law. *"*Purchase*"* includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security. *"*Sale*"* includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, transfers, gifts, and acquisitions and exercises of warrants or puts, calls, pledging and margin loans, or other derivative securities.

Any breach of this Policy, including failure to report actual or potential violations of this Policy or applicable law, may result in disciplinary measures, including termination of employment.

The laws and regulations concerning insider trading are complex, and Covered Persons are encouraged to seek guidance from the Compliance Officer prior to considering a transaction in Company securities.

1. Blackout Periods

No director, officer, employee or consultant listed on Schedule I, as amended from time to time by the Compliance Officer, (as well as any individual or entity covered by this Policy by virtue of their relationship to such director, officer, employee or consultant) shall purchase or sell any security of the Company during the period beginning on the 14th calendar day of the last month of any fiscal quarter of the Company for which the Company plans to publicly release earnings data and ending after completion of the first full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company, such period, a "blackout period." A "trading day" is a day on which U.S. national stock exchanges are open for trading. If, for example, the Company were to make an announcement on Monday *prior* to 9:30 a.m. Eastern Time, then the blackout period would terminate *after* the close of trading on Tuesday. If an announcement were made on Monday after 9:30 a.m. Eastern Time, then the blackout period would terminate after the close of trading on Wednesday. If you have any question as to whether information is publicly available, please direct an inquiry to the Compliance Officer.

These prohibitions do not apply to:

- purchases of the Company's securities from the Company, or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, in each case, that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option or other equity award through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception); or
- purchases or sales of the Company's securities made pursuant to a plan adopted to comply with the Exchange Act Rule 10b5-1 ("Rule 10b5-1").

Exceptions to the blackout period policy may be approved by the Audit Committee of the Board of Directors.

The Company will endeavor to send out a notice setting forth the specific dates for a blackout period to the relevant persons, but each person is also responsible for monitoring their compliance with this section of the Policy. Lack of notice is not an excuse for non-compliance.

The Compliance Officer may recommend that directors, officers, employees, consultants or others suspend trading in Company securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all of those individuals affected should not trade in the Company's securities while the suspension is in effect, and should not disclose to others that the Company has suspended trading.

2. Preclearance of Trades by Directors, Officers, Employees and Consultants

All transactions in the Company's securities by directors, officers, employees and consultants listed on Schedule I (each, a "Preclearance Person") must be precleared by the Compliance Officer or the Chief Financial Officer for transactions by the Compliance Officer. Preclearance should not be understood to represent legal advice by the company that a proposed transaction complies with the law.

A request for preclearance must be in writing, should be made at least two business days in advance of the proposed transaction, and should include the identity of the Preclearance Person, a description of the proposed transaction, the proposed date of the transaction, and the number of shares or other securities involved. In addition, the Preclearance Person must confirm in writing that he or she is not aware of material nonpublic information about the Company. The Compliance Officer, or the Chief Financial Officer for transactions by the Compliance Officer, shall have sole discretion to decide whether to clear any contemplated transaction. All trades that are precleared must be effected within five business days of receipt of the preclearance. A precleared trade (or any portion of a precleared trade) that has not been effected during the five business day period must be submitted for preclearance determination again prior to execution. Notwithstanding receipt of preclearance, if the Preclearance Person becomes aware of material nonpublic information, or becomes subject to a blackout period before the transaction is effected, the transaction may not be completed. Transactions under a previously established Rule 10b5-1 Trading Plan that has been preapproved in accordance with this Policy are not subject to further preclearance.

Under Israeli law, a "Principal Insider" (as such term is defined in the Israeli Securities Law, 5728-1968 and which includes directors, officers, internal auditor and controller) of the Company who buys and sells, or sells and buys, Company securities within a three-month period is generally presumed to have traded on inside information. Therefore, all such persons are advised to monitor carefully the timing of any purchases and sales of Company securities so as to avoid triggering this provision of Israeli law and consult with the Compliance Officer if in doubt.

None of the Company, the Compliance Officer, or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for preclearance.

3. Material Nonpublic Information

Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security, or if the information is likely to have a significant effect on the market price of the security. Material information can be positive or negative, and can relate to virtually any aspect of a company's business or to any type of security, debt, or equity. Also, information that something is likely to happen in the future—or even just that it may happen—could be deemed material.

Examples of material information may include (but are not limited to) information about:

- corporate earnings or earnings forecasts;
- possible mergers, acquisitions, tender offers, or dispositions;
- major new products, services or product developments;
- important business developments, such as developments regarding strategic collaborations;
- management or control changes;
- significant financing developments including pending public sales or offerings of debt or equity securities;
- defaults on borrowings;
- bankruptcies;
- cybersecurity or data security incidents; and
- significant litigation or regulatory actions.

Information is "nonpublic" if it is not available to the general public. In order for information to be considered "public," it must be widely disseminated in a manner that makes it generally available to investors in a Regulation FD-compliant method, such as through a press release, a filing with the U.S. Securities and Exchange Commission (the "SEC") or a Regulation FD-compliant conference call. The Compliance Officer shall have sole discretion to decide whether information is public for purposes of this Policy.

The circulation of rumors, even if accurate and reported in the media, does not constitute public dissemination. In addition, even after a public announcement, a reasonable period of time may need to lapse in order for the market to react to the information. Generally, the passage of one full trading day following release of the information to the public, is a reasonable waiting period before such information is deemed to be public.

4. Post-Termination Transactions

If an individual is in possession of material nonpublic information when the individual's service terminates, the individual may not trade in the Company's securities until the later of the end of a relevant blackout period or when that information has become public or is no longer material.

5. Prohibited Transactions

The Company has determined that there is a heightened legal risk and the appearance of improper or inappropriate conduct if persons subject to this Policy engage in certain types of transactions. Therefore, Covered Persons shall comply with the following policies with respect to certain transactions in the Company's securities.

5.1 Short Sales

Short sales of the Company's securities are prohibited by this Policy. Short sales of the Company's securities, or sales of shares that the insider does not own at the time of sale, or sales of shares against which the insider does not deliver the shares within 20 days after the sale, evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects.

5.2 Options

Transactions in puts, calls, or other derivative securities involving the Company's equity securities, on an exchange, on an over-the-counter market, or in any other organized market, are prohibited by this Policy. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and, therefore, creates the appearance that a Covered Person is trading based on material nonpublic information. Transactions in options, whether traded on an exchange, on an over-the-counter market, or any other organized market, also may focus a Covered Person's attention on short-term performance at the expense of the Company's long-term objectives.

5.3 Hedging Transactions

Hedging transactions involving the Company's securities, such as prepaid variable forward contracts, equity swaps, collars and exchange funds, or other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's equity securities, are prohibited by this Policy. Such transactions allow the Covered Person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company's other stockholders.

5.4 Margin Accounts and Pledging

Individuals are prohibited from pledging Company securities as collateral for a loan, purchasing Company securities on margin (i.e., borrowing money to purchase the securities), or placing Company securities in a margin account. This prohibition does not apply to cashless exercises of stock options under the Company's equity plans, nor to situations approved in advance by the Compliance Officer.

5.5 Partnership Distributions

Nothing in this Policy is intended to limit the ability of an investment fund, venture capital partnership or other similar entity with which a director is affiliated to distribute Company securities to its partners, members, or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances, and applicable securities laws.

6. Rule 10b5-1 Trading Plans

The trading restrictions set forth in this Policy, other than those transactions described under "Prohibited Transactions," do not apply to transactions under a previously established contract, plan or instruction to trade in the Company's securities entered into in accordance with Rule 10b5-1 (a "Trading Plan") that:

- has been submitted to and preapproved by the Compliance Officer;
- includes a "Cooling Off Period" for
  - Section 16 reporting persons that extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 20-F or Form 6-K covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and
  - employees and any other persons, other than the Company, that extends 30 days after adoption or modification of a Trading Plan;

- for Section 16 reporting persons, includes a representation in the Trading Plan that the Section 16 reporting person is (1) not aware of any material nonpublic information about the Company or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade Rule 10b-5;

- has been entered into in good faith at a time when the individual was not in possession of material nonpublic information about the Company and not otherwise in a blackout period, and the person who entered into the Trading Plan has acted in good faith with respect to the Trading Plan;

- either (1) specifies the amounts, prices, and dates of all transactions under the Trading Plan; or (2) provides a written formula, algorithm, or computer program for determining the amount, price, and date of the transactions, and (3) prohibits the individual from exercising any subsequent influence over the transactions; and

- complies with all other applicable requirements of Rule 10b5-1.

The Compliance Officer may impose such other conditions on the implementation and operation of the Trading Plan as the Compliance Officer deems necessary or advisable. Individuals may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by the Compliance Officer.

An individual may only modify a Trading Plan outside of a blackout period and, in any event, when the individual does not possess material nonpublic information. Modifications to and terminations of a Trading Plan are subject to preapproval by the Compliance Officer and modifications of a Trading Plan that change the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

The Company reserves the right to publicly disclose, announce, or respond to inquiries from the media regarding the adoption, modification, or termination of a Trading Plan and non-Rule 10b5-1 trading arrangements, or the execution of transactions made under a Trading Plan. The Company also reserves the right from time to time to suspend, discontinue, or otherwise prohibit transactions under a Trading Plan if the Compliance Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of the Company.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, and none of the Company, the Compliance Officer, or the Company's other employees assumes any liability for any delay in reviewing and/or refusing to approve a Trading Plan submitted for approval, nor the legality or consequences relating to a person entering into, informing the Company of, or trading under, a Trading Plan.

7. Interpretation, Amendment, and Implementation of this Policy

The Compliance Officer shall have the authority to interpret and update this Policy and all related policies and procedures. In particular, such interpretations and updates of this Policy, as authorized by the Compliance Officer, may include amendments to or departures from the terms of this Policy, to the extent consistent with the general purpose of this Policy and applicable securities laws.

Actions taken by the Company, the Compliance Officer, or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy or with securities laws.

8. Certification of Compliance

All directors, officers, employees, consultants and others subject to this Policy may be asked periodically to certify their compliance with the terms and provisions of this Policy.

The Company reserves the right to amend, modify, waive or terminate the provisions of this Policy at any time for any reason.

Schedule I
Individuals Subject to Quarterly Trading Blackouts

- All directors
- All officers
- Employees and consultants at VP level and above
- All members of the Legal Department
- All members of the Finance Department

Exhibit 12.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) or 15d-14(a)

I, Limor Zur-Stoller, 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: July 17, 2026

/s/ Limor Zur-Stoller
Limor Zur-Stoller
Principal Executive Officer
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, 2025 (the "Report") by HUB Cyber Security Ltd. (the "Company"), the undersigned, as the Principal Executive Officer and 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: July 17, 2026

/s/ Limor Zur-Stoller
Limor Zur-Stoller
Principal Executive Officer
Chief Financial Officer