

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

**FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

HUB CYBER SECURITY LTD.
(Exact name of registrant as specified in its charter)

State of Israel

(State or other jurisdiction of
incorporation or organization)

3576

(Primary Standard Industrial
Classification Code Number)

None

(I.R.S. Employer
Identification No.)

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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale of the securities to the public: From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. 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 7(a)(2)(B) of the Securities Act. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission (the "SEC"), acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. HUB Cyber Security Ltd. and the selling securityholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is neither an offer to sell these securities, nor a solicitation of an offer to buy these securities, in any state or jurisdiction where the offer or sale is not permitted. Any representation to the contrary is a criminal offense.

PRELIMINARY PROSPECTUS — SUBJECT TO COMPLETION DATED SEPTEMBER 2, 2025



Up to 26,746,175 ORDINARY SHARES

HUB CYBER SECURITY LTD.

This prospectus relates to the resale, from time to time, which may be offered by Keystone Capital Partners, LLC (“Keystone”, “Keystone Capital Partners” or the “Selling Securityholder”), or their pledgees, donees, transferees, or other successors in interest, of up to 26,746,175 ordinary shares, no par value (the “ordinary shares”), of HUB Cyber Security Ltd., a company organized under the laws of the State of Israel (“we,” “our,” the “Company”, “HUB” or “HUB Security”). The ordinary shares being offered by the Selling Securityholder are outstanding or issuable pursuant to the Ordinary Share Purchase Agreement dated March 11, 2025 by and among the Company and the Selling Securityholder (the “Purchase Agreement”). See “The Keystone Capital Transaction” for a description of the Purchase Agreement. Such ordinary shares include (a) up to 22,624,434 ordinary shares (the “Keystone Purchase Shares”) that we may elect, in our sole discretion, to issue and sell to Keystone, from time to time from and after the Keystone Commencement Date (as defined below) under the Purchase Agreement, and subject to applicable stock exchange rules (assuming a price of \$2.21 per share, which was the closing price of our ordinary shares on the Nasdaq Capital Market (“Nasdaq”) on August 29, 2025) and (b) up to 4,121,741 ordinary shares, consisting of (i) up to 1,072,961 ordinary shares (assuming the shares to be issued and sold at the floor price of \$0.932) and (ii) up to 3,048,780 ordinary shares (assuming the shares to be issued and sold at the floor price of \$0.492 per share) (collectively, the “Keystone Commitment Shares”) issuable upon conversion of the Keystone Commitment Notes (as defined below) as consideration for it entering into the Purchase Agreement. Please refer to “Selling Securityholder” beginning on page 183. Such registration does not mean that Keystone will actually offer or sell any of these ordinary shares. We will not receive any proceeds from the sales of the above ordinary shares by the Selling Securityholder; however, we will receive proceeds under the Purchase Agreement if we sell ordinary shares to the Selling Securityholder.

The Selling Shareholder is an “underwriter” within the meaning of the Securities Act of 1933, as amended. The Selling Shareholder is offering these ordinary shares for resale. The Selling Shareholder may sell all or a portion of these ordinary shares from time to time in market transactions through any market on which our ordinary shares is then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The Selling Shareholder will receive all proceeds from the sale of the ordinary shares. For additional information on the methods of sale, you should refer to the section entitled “Plan of Distribution. We will pay certain expenses associated with the registration of the securities covered by this prospectus, as described in the section entitled “*Plan of Distribution.*”

We are not selling any securities under this prospectus and will not receive any of the proceeds from the sale of the ordinary shares by the Selling Securityholder. Additionally, we will not receive any proceeds from the issuance or sale of ordinary shares upon conversion of the Keystone Commitment Notes. We may receive up to \$50.0 million in aggregate gross proceeds from Keystone under the Purchase Agreement in connection with sales of our ordinary shares to Keystone pursuant to the Purchase Agreement from time to time after the date of this prospectus. However, the actual proceeds from Keystone may be less than this amount depending on the number of ordinary shares sold and the price at which the ordinary shares are sold.

Our ordinary shares and two series of warrants are listed on the Nasdaq Stock Market LLC (“Nasdaq”) under the trading symbols “HUBC,” “HUBCW” and “HUBCZ,” respectively. On August 29, 2025, the closing prices for our ordinary shares and warrants on the Nasdaq Stock Market LLC were \$2.21 per ordinary share and \$0.0277 and \$0.012 per warrant, respectively.

The 26,746,175 ordinary shares being offered for resale in this prospectus represent approximately 121.3% of our total outstanding ordinary shares as of the date of this prospectus (assuming, in each case, the conversion in full of all of the entire Keystone Commitment Notes). The sale of all the securities being offered in this prospectus could result in a significant decline in the public trading price of our ordinary shares and/or warrants and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our ordinary shares or warrants. Despite such a decline in the public trading price, the Selling Securityholder may still experience a positive rate of return on the securities they purchased due to the differences in the purchase prices of which they purchased the ordinary shares above.

We are a “foreign private issuer” and an “emerging growth company,” each, as defined under the U.S. federal securities laws, and, as such, we are subject to reduced public company reporting requirements in the United States. See the section entitled “Prospectus Summary — Implications of Being an Emerging Growth Company and a Foreign Private Issuer” for additional information.

Investing in our securities involves a high degree of risk. See “*Risk Factors*” beginning on page 11 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

Neither the Securities and Exchange Commission, the Israeli Securities Authority nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2025.

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	ii
<u>SUMMARY OF THE PROSPECTUS</u>	1
<u>THE OFFERING</u>	10
<u>RISK FACTORS</u>	11
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	54
<u>THE KEYSTONE CAPITAL TRANSACTION</u>	57
<u>USE OF PROCEEDS</u>	61
<u>DIVIDEND POLICY</u>	62
<u>DILUTION</u>	63
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS</u>	65
<u>BUSINESS</u>	101
<u>MANAGEMENT</u>	131
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	152
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	154
<u>DESCRIPTION OF SHARE CAPITAL</u>	156
<u>TAXATION</u>	167
<u>SELLING SECURITYHOLDER</u>	183
<u>PLAN OF DISTRIBUTION</u>	185
<u>LEGAL MATTERS</u>	187
<u>EXPERTS</u>	187
<u>ENFORCEABILITY OF CIVIL LIABILITIES</u>	188
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	189

You should rely only on the information contained in this prospectus or any supplement. Neither we nor the Selling Securityholder has authorized anyone else to provide you with different information. The securities offered by this prospectus are being offered only in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of each document. Our business, financial condition, results of operations and prospects may have changed since that date.

Except as otherwise set forth in this prospectus, neither we nor the Selling Securityholder has taken any action to permit a public offering of these securities outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of these securities and the distribution of this prospectus outside the United States.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-1 filed with the Securities Exchange Commission (the “SEC”) pursuant to which the Selling Securityholder named in this prospectus may, from time to time, sell or otherwise dispose the securities described in this prospectus in one or more offerings. This prospectus include important information about us, the ordinary shares being issued by us, the securities being offered by the Selling Securityholder and other information you should know before investing. Any prospectus supplement may also add, update, or change information in this prospectus. If there is any inconsistency between the information contained in this prospectus and any prospectus supplement, you should rely on the information contained in that particular prospectus supplement. This prospectus does not contain all of the information provided in the registration statement that we filed with the SEC. You should read this prospectus together with the additional information about us described in the section below entitled “*Where You Can Find More Information.*” You should rely only on information contained in this prospectus. We have not, and the Selling Securityholder has not, authorized anyone to provide you with information different from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date on the front cover of the prospectus. You should not assume that the information contained in this prospectus is accurate as of any other date. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of our securities other than the securities covered hereby, nor does this prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about, and to observe, any restrictions as to the offering and the distribution of this prospectus applicable to those jurisdictions.

The Selling Securityholder may offer and sell the securities directly to purchasers, through agents selected by us and/or the Selling Securityholder, or to or through underwriters or dealers. A prospectus supplement, if required, may describe the terms of the plan of distribution and set forth the names of any agents, underwriters or dealers involved in the sale of securities. See “*Plan of Distribution.*”

Unless otherwise specified, all share amounts, conversion prices and exercise prices reflected in this prospectus give effect to the Reverse Share Splits described below.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the regions in which it operates, 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 its management's knowledge of the industry. We assume liability for the accuracy and completeness of such information to the extent included in this prospectus.

Such assumptions and estimates of our future performance and growth objectives and the future performance of its industry and the markets in which it operates are subject to a high degree of uncertainty and risk due to a variety of factors, including those discussed under the headings "*Risk Factors*," "*Cautionary Statement Regarding Forward-Looking Statements*," *Market, Ranking and Other Industry Data*" in this prospectus.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This document 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 prospectus 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.

PROSPECTUS SUMMARY

This summary highlights, and is qualified in its entirety by, the more detailed information included elsewhere in this prospectus. This summary does not contain all of the information that may be important to you. You should read and carefully consider the entire prospectus, especially the “Risk Factors” section of this prospectus, before deciding to invest in our ordinary shares. Unless the context otherwise requires, we use the terms “company,” “we,” “us” and “our” in this prospectus to refer to HUB Cyber Security Ltd. and subsidiaries.

The Company began operations in 1984 as A.L.D. Advanced Logistics Development Ltd. (“ALD”) and is engaged in developing and marketing quality management software tools and solutions. HUB Cyber Security TLV Ltd. (“HUB TLV”) was founded in 2017 by veterans of the elite Unit 8200 and Unit 81 of the Israeli Defense Forces, with vast experience and proven track records in setting up and commercializing start-ups in a multi-disciplinary environment. On February 28, 2021, HUB TLV and ALD signed a share swap merger agreement, pursuant to which HUB TLV became a wholly owned subsidiary of ALD and the shareholders of HUB TLV owned 51% of ALD’s issued and outstanding share capital (the “ALD Merger”). The ALD Merger was completed on June 21, 2021 and ALD later changed its name to Hub Cyber Security (Israel) Ltd. and later to Hub Cyber Security Ltd. Following the ALD Merger, we have developed unique technology and products in the field of confidential computing, with the intention to be a significant player in the cyber security industry.

In November 2023, we began to collaborate with BlackSwan Technology (“BST”) with the goal of becoming a significant player in the secured data fabric industry. Subsequently, in August 2024, we entered into a collaboration agreement with BST formalizing the terms of the collaboration between the parties (the “BST Collaboration Agreement”). The BST Collaboration Agreement was effective as of November 1, 2023, and pursuant to the terms thereof, BST agreed to conduct activities directed by us to integrate BST’s technology with our technology. In addition, we agreed to provide advisory services to BST in connection with BST’s performance under specified commercial agreements. Pursuant to the BST Collaboration Agreement, we received all rights to any deliverables created under the BST Collaboration Agreement and an irrevocable, perpetual license to any BST background intellectual property created or developed before or after the effective date of the BST Collaboration Agreement.

The BST Collaboration Agreement further granted us with the exclusive right available until August 22, 2025 to elect to acquire all of the outstanding share capital of BST or assets of BST. We subsequently exercised this right and acquired BST on January 27, 2025. We believe that the transaction with BST will solidify our position as a leading provider of secured data fabric solutions, offering these technologies and solutions to government entities, banks and financial institutions, and large regulated enterprises. We currently operate in several countries and provide secured data fabric SaaS solutions (through the BST collaboration), as well as a wide range of cybersecurity professional services.

Corporate Information

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

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

Reverse Share Splits

On December 15, 2023, following approval by our shareholders and Board of Directors, we effected a reverse share split of our authorized and outstanding ordinary shares, at a ratio of 10:1 whereby each 10 ordinary shares were reverse split into one ordinary share (with fractional shares being rounded down) (the “2023 Reverse Share Split”). In addition, on March 28, 2025, we effected another 1-for-10 reverse share split of our authorized and outstanding ordinary shares (with fractional shares being rounded down), (the “2025 Reverse Share Split” and, together with the 2023 Reverse Share Split, the “Reverse Share Splits”). The conversion prices of outstanding notes, the exercise prices of outstanding warrants and share options and the number of shares issuable upon conversion of restricted share units were adjusted to give effect to the Reverse Share Splits. The Reverse Share Splits were effected to regain compliance with Nasdaq’s minimum bid price requirement.

Unless otherwise specified, all share amounts, conversion prices and exercise prices reflected in this prospectus give effect to the Reverse Share Splits.

Financing Transactions

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.

At the initial closing, we issued August 2025 Notes in the aggregate original principal amount of \$8,640,625 for an aggregate purchase price of \$7,718,750 in cash and the exchange of the notes that we issued previously to investors in July 2025. The notes issued in July and August 2025 resulted in aggregate cash proceeds of \$4,625,000 and the exchange of notes issued by us in March and April 2025 in the aggregate principal amount of \$2,187,500. The August 2025 Notes issued in consideration for cash were issued with a 20% original issue discount, and the August 2025 Notes issued in consideration for our outstanding notes were issued at a 10% discount pursuant to the terms of such notes. The proceeds of the offerings under the August 2025 SPA will be used for general corporate purposes and operating expenses, including the repayment of debt. In particular, we plan to use proceeds of the offering to repay a portion of our loan from Agile Lending LLC (described below under “*Management Discussion and Analysis of Financial Condition and Results of Operations-HUB Agile Capital Loan*”), with the balance of the loan expected to be reinvested in the Company in a subsequent closing under the August 2025 SPA.

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 \$2.88 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 \$1.00 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. 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. If a Holder converts its Note during an event of default and the prevailing market price at the time of conversion (i.e., the lower of (i) the last closing price and (ii) the average closing price for the last five trading days) is lower than the conversion price then in effect, the conversion price will equal the lower of the conversion price then in effect and 90% of lowest VWAP during the five-days up to and including the date of conversion, subject to a \$1.00 floor price.

In addition to the August 2025 Notes, at the initial closing under the August 2025 SPA, we issued to the investors warrants to purchase an aggregate of 1,500,108 ordinary shares (the "August 2025 Warrants"). The August 2025 Warrants have an initial exercise price of \$3.60 per share, subject to decrease on day 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 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 reserve 200% of the shares issuable upon conversion of all August 2025 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 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 20,833 ordinary shares 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.

ELOC Transaction

Concurrently with the investment by the March 2025 Note Investors described below under "March 2025 Notes", the Company entered into an Ordinary Share Purchase Agreement with Keystone, pursuant to which the Company has the right, but not the obligation, to sell to Keystone up to an aggregate of \$50 million of newly issued ordinary shares (such shares, the "Keystone Purchase Shares").

As consideration for Keystone's commitment to purchase the Keystone Purchase Shares, upon the terms of and subject to satisfaction of the conditions set forth in the Purchase Agreement, the Company issued to Keystone a commitment note on March 11, 2025, in the 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 matures on December 11, 2025, and November 28, 2025, respectively (collectively, the "Keystone Commitment Notes"). The Keystone Commitment Notes are due by way of conversion in whole or in part into ordinary shares based on the closing share price of our ordinary 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 respective issuance dates of the Keystone Commitment Notes. The Keystone Commitment Notes 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 U.S. Securities and Exchange Commission (the "SEC") or (ii) six (6) months following the date of the Keystone Commitment Notes. In the event of a conversion prior to the maturity date, the number of ordinary shares to be issued upon the conversion of the Keystone Commitment Notes 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 Keystone Commitment Notes will be limited to the extent that, upon such conversion, Keystone and its affiliates would not in aggregate beneficially own more than 4.99% of the Company's outstanding share capital at any time.

In addition, in connection with the 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 Keystone Commitment Notes and the Keystone Purchase Shares.

We do not have a right to commence any sales of ordinary shares to Keystone under the Purchase Agreement until the satisfaction of certain conditions set forth in the Purchase Agreement (the “Keystone Commencement Date”), including the effectiveness of the registration statement of which this prospectus forms a part. Following the Keystone Commencement Date, the Company will control the timing and amount of any sales of the Keystone Purchase Shares. Actual sales of Keystone Purchase Shares under the 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 Company’s ordinary shares and determinations by the Company as to the appropriate sources of funding for the Company and its operations.

Under the Purchase Agreement, on any business day on which the closing sale price of the Company’s shares is equal to or greater than \$0.50 (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 ordinary 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 ordinary 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 ordinary 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 ordinary 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 ordinary 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 Purchase Agreement provides that the Company may not issue or sell any shares under the 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. See “The Keystone Capital Transaction.”

March 2025 Notes

Between March and April, 2025, the Company completed the issuance of a series of notes (the “March 2025 Notes”) to certain investors, including Keystone as the lead investor (the “March 2025 Note Investors”) in an aggregate principal amount of \$2,187,500 for an aggregate purchase price of \$1,750,000 (plus 25% original issue discount). The March 2025 Notes mature on December 11, 2025 (\$1,625,000) and January 30, 2026 (\$562,500), do not bear interest, and include a prepayment option at a premium of 125%. In addition, the Company is 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. Such conversion occurred in June 2025 in the amount of \$2,187,500.

The conversion of the March 2025 Notes will be 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.

August 2025 Amendments to March-November 2024 Financing Transaction

On August 16, 2025, the Company entered into a Fifth Amendment to the Securities Purchase Agreement with the March-November 2024 Investor (as defined below) 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 \$3.00 per share, resulting in the issuance of 500,000 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.

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) 3.00 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%.

Nasdaq Compliance

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 have 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. 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 (MVLS) 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 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"). On February 26, 2025, Nasdaq confirmed to us via email that we had regained compliance with the 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 and since then our ordinary shares closed above \$1.00.

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

Summary Risk Factors

Investing in our ordinary shares involves substantial risks, and our ability to successfully operate our business and execute our growth plan is subject to numerous risks. You should consider all the information contained in this prospectus in deciding whether to invest in our ordinary shares. In particular, you should consider the risk factors described under "*Risk Factors*" beginning on page 11. Such risks include, but are not limited to:

- Our previously disclosed internal investigation was initiated to review allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As a result of or in connection with the matters that were the subject of the investigation, we may become subject to certain regulatory scrutiny. 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.
- 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 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.
- We may fail to fully execute, integrate or realize the benefits expected from acquisitions, which may require significant management attention, disrupt our business and adversely affect our results of operations.
- If we are not able to remain in compliance with the continued listing standards of the Nasdaq, such failure could result in a delisting of our securities.
- 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 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.
- 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 to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.
- Our limited operating history in the field of secured data fabric and confidential computing makes it difficult to evaluate our business and prospects and increases the risk of your investment.

- The network security market is rapidly evolving within the increasingly challenging cyber threat landscape. If our solutions fail to adapt to market changes and demands, sales may not continue to grow or may decline.
- Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.
- Our ability to introduce new products, features, integrations and enhancements is dependent on adequate research and development resources.
- We currently have and target many customers that are large corporations and government entities, which are subject to a number of challenges and risks, such as increased competitive pressures, administrative delays and additional approval requirements.
- The market's acceptance of secured data fabric and confidential computing as implemented by our solutions is not fully proven and, is evolving, and this market may develop more slowly than or differently from our expectations.
- 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.
- 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 management team has limited experience managing a U.S. listed public company.
- Our business relies on the performance of, and we face stark competition for, highly skilled personnel, including our management 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.
- Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.
- As a company that seeks to become a comprehensive secured data fabric provider and confidential computing provider, if any of our systems, our customers' cloud or on-premises environments, or our internal systems are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our business may be harmed, and we may lose business and incur losses or liabilities.
- 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.
- Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, financial condition and prospects.
- We may be required to indemnify our directors and officers in certain circumstances.

- We are subject to a number of securities class actions and other litigations and could be subject to additional litigation in the United States, Israel or elsewhere that could negatively impact our business, including resulting in substantial costs and liabilities.
- 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.
- 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.
- 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.
- The listing of our securities on Nasdaq did not benefit from the process undertaken in connection with an underwritten initial public offering, which could result in diminished investor demand, inefficiencies in pricing and a more volatile public price for our securities.
- Conditions in Israel 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 prospectus 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 your ownership interests and may depress the market price of our ordinary shares and warrants.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

We qualify as an “emerging growth company” pursuant to the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”). An emerging growth company may take advantage of specified exemptions from various requirements that are otherwise applicable generally to U.S. public companies. These provisions include:

- an exemption that allows the inclusion in an initial public offering registration statement of only two years of audited financial statements and selected financial data and only two years of related disclosure;
- reduced executive compensation disclosure;
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and any golden parachute payments not previously approved;
- an exemption from compliance with the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor’s report on the financial statements; and
- an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) in the assessment of the emerging growth company’s internal control over financial reporting.

The JOBS Act also permits an emerging growth company such as us to delay adopting new or revised accounting standards until such time as those standards are applicable to private companies. We have elected to use this extended transition period to enable us to comply with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. We may choose to take advantage of some but not all of these reduced reporting burdens.

We will remain an emerging growth company until the earliest of:

- the last day of our fiscal year during which we have total annual revenue of at least \$1.235 billion;
- the last day of our fiscal year following the fifth anniversary of the closing of the Business Combination Agreement;
- the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; or
- the date on which we are deemed to be a “large accelerated filer” under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our Class A ordinary shares that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter.

In addition, we report under the Exchange Act as a “foreign private issuer.” As a foreign private issuer, we may take advantage of certain provisions under the rules that allow us to follow Israeli law for certain corporate governance matters. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- 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;
- the rules under the Exchange Act requiring the filing with the U.S. Securities and Exchange Commission (the “SEC”) of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events; and
- Regulation Fair Disclosure (“Regulation FD”), which regulates selective disclosures of material information by issuers.

Foreign private issuers, like emerging growth companies, also are exempt from certain more stringent executive compensation disclosure rules. Thus, if we remain a foreign private issuer, even if we no longer qualify as an emerging growth company, we will continue to be exempt from the more stringent compensation disclosures required of public companies that are neither an emerging growth company nor a foreign private issuer.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies:

- the majority of our executive officers or directors are U.S. citizens or residents;
- more than 50% of our assets are located in the United States; or
- our business is administered principally in the United States.

THE OFFERING

Ordinary shares that may be offered and sold from time to time by the Selling Securityholder	Up to 26,746,175 ordinary shares, consisting of: Up to 22,624,434 ordinary shares that we may sell to the Selling Securityholder, from time to time at our sole discretion, pursuant to the Purchase Agreement (assuming a price of \$2.21 per share, which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025), described below; and 4,121,741 ordinary shares issuable upon conversion of the Keystone Commitment Note that we issued to the Selling Securityholder as consideration for its commitment to purchase shares of ordinary shares at our election under the Purchase Agreement (assuming the shares to be issued and sold at the floor prices of \$0.932 and \$0.492 per share).
Ordinary shares issued and outstanding prior to this offering	22,048,625 ordinary shares outstanding as of August 29, 2025.
Ordinary shares outstanding immediately after this offering	48,794,800 ordinary shares.
Use of proceeds	The Selling Securityholder will receive all of the proceeds from the sale of the ordinary shares offered for sale by it under this prospectus. We will not receive proceeds from the sale of the ordinary shares by the Selling Securityholder through this prospectus. However, we will incur expenses in connection with the registration of the ordinary shares offered hereby. We may receive up to \$50 million in gross proceeds from the sale of our ordinary shares to the Selling Securityholder under the Purchase Agreement; however, the actual proceeds may be less than this amount depending on the number of ordinary shares sold and the price at which the ordinary shares are sold. We intend to use any proceeds from any sales of ordinary shares to Keystone under the Purchase Agreement for working capital and general corporate purposes. Pending other uses, we intend to invest the net proceeds to us in investment-grade, interest-bearing securities such as money market funds, certificates of deposit, or direct or guaranteed obligations of the U.S. government, or hold as cash. See “<i>Use of Proceeds</i>.”
Dividend Policy	We have never declared or paid any cash dividend on our ordinary shares. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any further determination to pay dividends on our ordinary shares would be at the discretion of our board of directors, subject to applicable laws, and would depend on our financial condition
Risk factors	Prospective investors should carefully consider the “<i>Risk Factors</i>” beginning on page 11 for a discussion of certain factors that should be considered before buying the securities offered hereby.
Market for our ordinary shares and warrants	Our ordinary shares and two additional series of warrants are listed on the Nasdaq Stock Market LLC under the trading symbols “HUBC,” “HUBCW” and “HUBCZ,” respectively.

The number of ordinary shares to be outstanding prior to and after this offering is based on 22,048,625 ordinary shares outstanding as of August 29, 2025, on an as adjusted basis, and unless otherwise indicated, excludes, as of such date, the following:

- 20,528 stock options at a weighted average exercise price of \$28.4 per share;
- 9,949,842 warrants;
- 429,241 pre-funded warrants;
- 810,000 reserved shares for an executive, subject to satisfaction of performance milestones;
- 662,820 restricted stock units (RSUs); and
- 55,324 ordinary shares that have been reserved for issuance in connection with future grants under our 2021 Employee Stock Option Plan.

RISK FACTORS

You should carefully consider the risks described below before you decide to buy our securities. The risks and uncertainties described below are not the only risks facing us. We may face additional risks and uncertainties not currently known to us or that we currently deem to be immaterial. Any of the risks described below, and any such additional risks, could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment.

Risks Related to this Offering

The sale or issuance of our ordinary shares to Keystone will likely cause dilution and the sale of the ordinary shares acquired by Keystone, or the perception that such sales may occur, could cause the price of our ordinary shares to fall.

On March 11, 2025, we entered into the Purchase Agreement with Keystone, pursuant to which Keystone has committed to purchase up to \$50 million of our ordinary shares. Concurrently, we issued to Keystone the Keystone Commitment Notes in an aggregate amount of \$2.5 million (4,121,741 ordinary shares), as consideration for its commitment to purchase ordinary shares under the Purchase Agreement. The Keystone Commitment Notes are convertible into the Keystone Commitment Shares, on the terms and conditions set forth therein. The remaining 22,624,434 ordinary shares (assuming a price of \$2.21 per share, which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025) being registered for resale hereunder that may be issued under the Purchase Agreement may be sold by us to Keystone at our discretion from time to time commencing after the satisfaction of certain conditions set forth in the Purchase Agreement, including that the SEC has declared effective the registration statement that includes this prospectus. The purchase price for the ordinary shares that we may sell to Keystone under the Purchase Agreement will fluctuate based on the price of our ordinary shares. Thus, the actual gross proceeds from the sale by us to Keystone of all the ordinary shares being registered for resale hereunder may be substantially less than the \$50 million total purchase commitment available to us under the Purchase Agreement, which could materially adversely affect our liquidity. In addition, depending on market liquidity at the time, sales of such ordinary shares, or the anticipation of such sales, may cause the trading price of our ordinary shares to fall.

We generally have the right to control the timing and amount of any future sales of our ordinary shares to Keystone. Sales of our Ordinary Shares, if any, to Keystone will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Keystone all, some or none of the additional ordinary shares that may be available for us to sell pursuant to the Purchase Agreement. If and when we do sell ordinary shares to Keystone, after Keystone has acquired the ordinary shares, Keystone may resell all, some or none of those ordinary shares at any time or from time to time in its discretion. Therefore, sales to Keystone by us could result in substantial dilution to the interests of other holders of our Ordinary Shares. Additionally, the sale of a substantial number of ordinary shares to Keystone, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

Furthermore, if we elect to issue and sell to Keystone more than the 22,624,434 ordinary shares that we may elect to issue and sell to Keystone under the Purchase Agreement that are being registered for resale by Keystone hereunder, which we have the right, but not the obligation, to do, we must first file with the SEC one or more additional registration statements to register under the Securities Act for resale by Keystone such additional ordinary shares we wish to sell from time to time under the Purchase Agreement, which the SEC must declare effective, in each case before we may elect to sell any additional ordinary shares to Keystone under the Purchase Agreement. Any issuance and sale by us under the Purchase Agreement of a substantial amount of ordinary shares in addition to the 22,624,434 ordinary shares that we may elect to issue and sell to Keystone under the Purchase Agreement that are being registered for resale by Keystone hereunder could cause additional substantial dilution to our shareholders. The number of our ordinary shares ultimately offered for sale by Keystone is dependent upon the number of ordinary shares, if any, we ultimately sell to Keystone under the Purchase Agreement, and the sale of ordinary shares under the Purchase Agreement may cause the trading price of our ordinary shares to decline.

It is not possible to predict the actual number of ordinary shares we will sell under the Purchase Agreement to the Selling Securityholder, or the actual gross proceeds resulting from those sales.

Subject to certain limitations in the Purchase Agreement and compliance with applicable law, we have the discretion to deliver notices to Keystone at any time throughout the term of the Purchase Agreement. The actual number of ordinary shares that are sold to the Selling Securityholder may depend based on a number of factors, including the market price of the ordinary shares during the sales period. Actual gross proceeds may be nominal, which may impact our future liquidity. Because the price per ordinary share of each ordinary shares sold to Keystone will fluctuate during the sales period, it is not currently possible to predict the number of ordinary shares that will be sold or the actual gross proceeds to be raised in connection with those sales.

Keystone will pay less than the then-prevailing market price for our ordinary shares, which could cause the price of our ordinary shares to decline.

The purchase price of our ordinary shares to be sold to the Selling Securityholder pursuant to the Purchase Agreement is derived from the market price of our ordinary shares on Nasdaq. Shares to be sold to the Selling Securityholder pursuant to the Purchase Agreement will be purchased at a discounted price.

For Fixed Purchases, we may sell shares to Keystone at a purchase price equal to the lesser of 95% of (i) the daily volume weighted average price of our ordinary shares for the five trading days immediately preceding the applicable Fixed Purchase Date and (ii) the lowest sale price of an ordinary share on the applicable Fixed Purchase Date. For VWAP Purchases, the purchase price equals the lesser of 90% of (i) the lowest sale price on the applicable VWAP Purchase Date and (ii) the VWAP during the applicable purchase period. For Additional VWAP Purchases, the purchase price equals 90% of the lower of (i) the VWAP for the applicable purchase period and (ii) the lowest sale price on such purchase date. See “The Keystone Capital Transaction” for more information.

As a result of this pricing structure, Keystone may sell the shares they receive immediately after receipt of such shares, which could cause the price of our ordinary shares to decrease.

Investors who buy shares at different times will likely pay different prices.

Pursuant to the Purchase Agreement, we will have discretion, subject to market demand, to vary the timing, prices, and numbers of shares sold to the Selling Securityholder. If and when we do elect to sell our ordinary shares to the Selling Securityholder pursuant to the Purchase Agreement, after the Selling Securityholder has acquired such shares, the Selling Securityholder may resell all, some or none of such shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase shares from the Selling Securityholder in this offering at different times will likely pay different prices for those shares, and so may experience different levels of dilution and in some cases substantial dilution and different outcomes in their investment results. Investors may experience a decline in the value of the shares they purchase from the Selling Securityholder in this offering as a result of future sales made by us to the Selling Securityholder at prices lower than the prices such investors paid for their shares in this offering.

Sales of our ordinary shares to the Selling Securityholder may cause substantial dilution to our existing shareholders, the sale of the ordinary shares acquired by the Selling Securityholder could cause the price of our ordinary shares to decline, and the actual number of shares we will issue under the Purchase Agreement, at any one time or in total, is uncertain.

This registration statement relates to an aggregate amount of up to \$50,000,000 of ordinary shares that we may sell to the Selling Securityholder from time to time after the Keystone Commencement Date. The number of shares ultimately offered for sale to the Selling Securityholder under this prospectus is dependent upon the number of shares we elect to sell to the Selling Securityholder under the Purchase Agreement. See “The Keystone Capital Transaction” for more information about our obligations under the Purchase Agreement.

Depending upon market liquidity at the time, sales of ordinary shares under the Purchase Agreement may cause the trading price of our ordinary shares to decline. After the Selling Securityholder has acquired shares under the Purchase Agreement, it may sell all, some or none of those shares. Sales to the Selling Securityholder by us pursuant to the Purchase Agreement under this prospectus may result in substantial dilution to the interests of other holders of our ordinary shares. The sale of a substantial number of ordinary shares to the Selling Securityholder in this offering, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. However, we have the right to control the timing and amount of any sales of our shares to the Selling Securityholder, and the Purchase Agreement may be terminated by us at any time at our discretion without penalty.

The extent to which we rely on the Selling Securityholder as a source of funding will depend on a number of factors, including the prevailing market price of our ordinary shares and the extent to which we are able to secure working capital from other sources.

Future sales and issuances of our ordinary shares or other securities might result in significant dilution and could cause the price of our ordinary shares to decline.

To raise capital, we may sell ordinary shares, convertible securities or other equity securities in one or more transactions other than those contemplated by the Purchase Agreement, at prices and in a manner we determine from time to time. We may sell shares or other securities in another offering at a price per share that is less than the price per share paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing shareholders. The price per share at which we sell additional ordinary shares, or securities convertible or exchangeable into ordinary shares, in future transactions may be higher or lower than the price per share paid by investors in this offering.

Under the Purchase Agreement with Keystone, we are restricted from issuing ordinary shares or securities convertible into ordinary shares at prices below the applicable purchase price during certain “Reference Periods” while pending purchases are being settled. Specifically, during the period from when we deliver a purchase notice to Keystone until three trading days after Keystone pays for those shares, we cannot issue any securities at an effective price per share less than the price Keystone will pay for shares in that particular purchase. If we violate this restriction, the purchase price for Keystone’s shares will be reduced to match the lower issuance price, which could result in additional dilution to our shareholders.

We cannot predict what effect, if any, sales of ordinary shares in the public market or the availability of shares for sale will have on the market price of our ordinary shares. However, future sales of substantial amounts of our ordinary shares in the public market, including shares issued upon exercise of outstanding options, warrants and convertible preferred shares, or the perception that such sales may occur, could adversely affect the market price of our ordinary shares.

In addition, the ordinary shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market once those shares are issued, subject to provisions relating to vesting agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. We intend to file a Form S-8 shortly after the date of this prospectus to register our ordinary shares or securities convertible into or exchangeable for ordinary shares issued pursuant to our equity incentive plans. Such Form S-8 registration statement will become effective immediately upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market once the Form S-8 is filed.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of ordinary shares issued in connection with an investment or acquisition could constitute a material portion of our ordinary shares. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our shareholders and have a negative impact on the market price of our ordinary shares.

Additionally, the issuance of the Keystone Commitment Note and potential conversion of such note into ordinary shares, as well as any sales we may make to the Selling Stockholder under the Purchase Agreement, will result in dilution to our existing shareholders. The conversion of the Keystone Commitment Note into ordinary shares will occur at conversion terms set forth in the Keystone Commitment Note, and such conversion, along with any future sales under the Purchase Agreement, may significantly increase the number of our outstanding ordinary shares and dilute the ownership percentage of our existing shareholders.

Management will have broad discretion as to the use of the proceeds from any sales of shares we make to the Selling Securityholder pursuant to the Purchase Agreement and uses may not improve our financial condition or market value.

Although we will not receive any proceeds from the offer of the shares for resale by the Selling Securityholder pursuant to this prospectus, we will receive proceeds from the sale of ordinary shares to the Selling Securityholder pursuant to the Purchase Agreement. Because we have not designated the amount of net proceeds from the sale of shares to the Selling Securityholder pursuant to the Purchase Agreement to be used for any particular purpose, our management will have broad discretion as to the application of such net proceeds and could use them for purposes other than those contemplated hereby. Our management may use the net proceeds for corporate purposes that may not improve our financial condition or market value.

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

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

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

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

Since the completion of the Internal Investigation, the Company performed a rehaul of its 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.

The Internal Investigation is complete, although we continue to aim to pursue recovery of the misappropriated funds. 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, U.S. Securities and Exchange Commission (“SEC”), Nasdaq and/or U.S. Department of Justice (“DOJ”). In September 2024, the Israel Securities Authority 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, 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. 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. The preliminary hearing in both of these cases is set for September 2025 and both will be heard in front of the same judge who granted the injunction against Ms. Bitan. For further details please refer to “*Business-Legal Proceedings*”.

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

Further, we incurred substantial costs and diverted management resources in connection with the Internal Investigation, and the Internal Investigation itself caused us to fail to timely file our Annual Reports on Form 20-F for the fiscal years ended December 31, 2022 and 2023 with the SEC. We may also incur material costs associated with our indemnification arrangements with our current and former directors and certain of our officers, as well as other indemnitees related to 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 (see: “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Material weaknesses in internal control over financial reporting*”) will require us to incur additional costs and to divert management resources in the upcoming periods, which could adversely affect our business, financial condition, results of operations, and growth prospects.

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

We have incurred net losses in each year since our inception, including net losses (including discontinued operations) of \$39.1 million, \$86.6 million and \$80 million in the years ended December 31, 2024, 2023, and 2022, respectively. In addition, we may continue to incur net losses for the foreseeable future, and we may not achieve or maintain profitability in the future. Because the market for our network security solutions and products is rapidly evolving and has not yet reached widespread adoption, it is difficult for us to predict our future results of operations or the limits of our market opportunity. We cannot be certain when, if ever, we will become profitable. Even if we were to become profitable, we might not be able to sustain such profitability on a quarterly or annual basis.

Primarily because of our losses incurred to date, our expected continued future losses, our independent registered public accounting firm has included in its report an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. We are generating negative cash flow, requiring constant and immediate cash injections to continue to operate, failing to meet obligations as they become due, including financial, suppliers’ debts and other ordinary course of operations costs. In addition, and as a result of our ongoing operating losses, we had outstanding liabilities that could not be met by our revenues, including payments due to our debt holders, vendors and service providers, which led into situation where a hold was placed on certain of our bank accounts. Between October 2024 and July 2025, we have been unable to make required deposits in employee pension and severance funds which were later paid and settled. Furthermore, we have been unable to fully make required to pay required withholding taxes on employee compensation payments and governmental 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 creditors and are in process to remove two applications 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 National Insurance Institute. For more information about those application please refer to “*Business-Legal Proceedings*”. 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 2025 through a variety of equity and/or debt financing arrangements; however, there can be no assurance that we will be able to obtain funds on commercially acceptable terms, if at all. If we cannot generate sufficient revenues, reduce cost and/or secure additional financing on acceptable terms, we may be required to, among other things, alter our business strategy, significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. See “*-We will be required to raise additional funds in the near future in order to execute our business plan and these funds may not be available to us when we need them. If we cannot raise additional funds when we need them, our business, prospects, financial condition and operating results could be negatively affected*” below for additional information.

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

As described above, we appointed the Special Committee to oversee an internal investigation related to alleged misappropriation of Company funds and other potentially fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As such, 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, which had not been remedied as of December 31, 2024. 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 (“ITGC”) 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, 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, these controls were not in place 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, 2024 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 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 “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Material weaknesses in internal control over financial reporting*”.

If we are not able to remain in compliance with the continued listing standards of the Nasdaq, such failure could result in a delisting of our securities.

If we fail to satisfy the continued listing requirements of Nasdaq such as the corporate governance requirements or the minimum closing bid price requirement, 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 have 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 (MVLS) 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 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”). On February 26, 2025, Nasdaq confirmed to us via email that we had regained compliance with the 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 and since then our ordinary shares closed above \$1.00.

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

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.

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.

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 debt and convertible obligations, including overdue amortization payments totaling approximately \$3.9 million (the "Outstanding Debt"). Upon an event of default under the Outstanding Debt, the holders of such debt may exercise all rights and remedies available under the terms of the notes or applicable laws.

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.

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

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

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

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

Risks Related to Our Business and Industry

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

Currently, we generate the majority of our revenues from our Professional Services division, which, among other services, enables enterprise clients to identify, manage and respond to cybersecurity threats with comprehensive, bundled solutions that provide a crucial layer of protection for organizations as well as a means to manage associated risk and compliance. More recently, we have focused on providing a secured data fabric solution to the financial services sector.

The ability to penetrate the secured data fabric market and 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 to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 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 data fabric market is rapidly evolving, with major players including Informatica, IBM, Oracle, Microsoft, Talend, Snowflake, and others offering a variety of solutions across integrated data platforms, cloud-native architectures, and data virtualization technologies. Established technology giants like IBM and Oracle leverage their deep expertise, broad tool portfolios, and strong industry presence, while newer entrants like Snowflake and Denodo emphasize cloud-native flexibility and real-time analytics. Companies like SAP and Palantir focus on niche strengths such as security and entity-based data organization. Open-source alternatives, such as Apache Atlas and Airflow, also pose a competitive threat by offering cost-effective and customizable solutions. However, the crowded field and overlapping capabilities create a highly competitive environment where innovation, integration, and scalability are key differentiators.

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

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 for our security solutions or sell additional products and services to our existing customers, our future revenues and operating results will be harmed.

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

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

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

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

Many of our existing and potential customers are large corporations and government agencies who store sensitive data. Selling to large corporations and government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that HUB will complete a sale. Large enterprise customers frequently demand terms of sale which are less favorable than the prevailing market terms. In addition, government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, funding reductions, government shutdowns or delays, such that any of these occurrences may adversely affect public sector demand for our products. Finally, some large corporations and government entities require products such as ours to be certified by industry-approved security agencies 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.

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

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

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

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

If we do complete acquisitions, it may not ultimately strengthen our competitive position or achieve our goals or expected growth, and any acquisitions we complete could be viewed negatively by our customers or experience unexpected competition from market participants. Any integration process may require significant time and resources. HUB may not be able to manage the process successfully and may experience a decline in our profitability as it incurs expenses prior to fully realizing the benefits of the acquisition. We acquired four companies and certain assets within the past three years and greatly increased our number of employees and fields of operation. The smooth integration into HUB of the operations of these companies and of their employees is an important part of our sales and growth plan. The staff of the first company that was acquired, ALD Advanced Logistics Development Ltd., is the foundation upon which HUB will build our Professional Services business, and the strengths of the second acquired company, COMSEC Ltd., and the third one Qpoint Technologies Ltd., in marketing, support, sales and cybersecurity consulting are the foundation of our sales efforts. Finally, we believe that our January 2025 acquisition of BST, the fourth company, has 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. We believe that the above mentioned acquisitions will also give us direct access to a large number of blue-chip customers around the world, which can save us a significant amount of time that would be needed to penetrate these markets organically. Our failure to smoothly integrate the operations and employees of these companies into our goals and plans will reduce our prospects for growth. There is no assurance that the acquired companies, including their personnel and operations, can be successfully integrated with our existing employees and operations.

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

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

The market for 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;
- Changes in the source, cost or availability of hardware components we use;
- Adverse litigation, judgments, settlements or other litigation-related costs, or claims that may give rise to such costs; and
- General economic, industry and market conditions, including trade disputes.

Our management team has limited experience managing a U.S. listed public 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 their relatively new roles and responsibilities. Our transition to being a U.S. listed public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and operating results.

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

Due to our current cash situation and our overall limited resources and capabilities, we will have to decide to focus on pursuing a limited number of commercial opportunities. As a result, 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.

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 Financial Officer and we have recently made other significant changes to our executive management team in an effort to reduce costs and increase efficiency. We are also dependent on the continued service of our existing engineering team because of the complexity of our product and solutions. We may terminate any employee's employment at any time, with or without cause, and any employee may resign at any time, with or without cause, subject only to the notice periods prescribed by their respective agreements if done without cause. The loss of one or more members of our senior management or key employees could harm our business, and we may not be able to find adequate replacements. There is no assurance that we will be able to retain the services of any members of our senior management or key employees.

In addition, we must attract and retain new highly qualified personnel in order to execute our growth plan. We have had difficulty quickly filling certain open positions in the past and expect to have significant future hiring needs. Competition is intense, particularly in Israel and other areas in which we have offices, for engineers experienced in designing and developing 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.

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

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

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

Our business depends on our current and prospective customers' ability and willingness to invest money in network security, which in turn is dependent upon their overall economic health. Negative economic conditions in the global economy or certain regions, including conditions resulting from financial and credit market fluctuations, exchange rate fluctuations, or inflation, could cause a decrease in corporate spending on network security solutions and services. Other matters that influence consumer confidence and spending, including political unrest, public health crises, terrorist attacks, armed conflicts (such as the conflict between Russia and Ukraine) and natural disasters could also negatively affect our customers' spending on our solutions and services. A significant portion of our business operations are concentrated in core geographic areas such as the Middle East and Europe, and if they were to experience economic downturns, this could severely affect our business operations. In addition, some of our business operations depend on emerging markets that are less resilient to fluctuations in the global economy. In 2024, we generated 94% of our revenues from Israel, 4% of our revenues from Europe and less than 2% from the rest of the world.

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

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

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

- Exchange rate fluctuations;
- Political and economic instability, particularly in emerging markets;
- Global or regional health crises, such as the COVID-19 pandemic or any resurgence thereof;
- Potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- Less effective protection of intellectual property;
- Difficulties and costs of staffing and managing foreign operations, including recruiting and retaining talented and capable employees;
- Import and export laws, including technology import and export license requirements, and the impact of tariffs;
- Trade restrictions, including as a result of 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

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

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

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

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

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

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

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

We incorporate artificial intelligence (AI) and machine learning (ML) into some of our products. 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 products 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 the market acceptance of our products and solutions.

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

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

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

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

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

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

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

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

Risks Related to Our Intellectual Property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to Our Legal and Regulatory Environment

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

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

We are subject to diverse laws and regulations relating to data privacy, including but not limited to the EU General Data Protection Regulation 2016/679 (“GDPR”), the California Consumer Privacy Act (“CCPA”), the Health Insurance Portability and Accountability Act as amended by the Health Information Technology for Economic and Clinical Health Act (“HIPAA”), the UK Data Protection Act 2018, national privacy laws of EU Member States, 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, that will take effect in August 2025 and is expected to notably enhance 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 countries will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories. Furthermore, in retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

Our Articles of Association (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.

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

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

For additional information on these class action and other lawsuits and for information concerning additional litigation proceedings, please refer to “*Business -Legal Proceedings*.”.

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

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

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

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

We continue to incur increased 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 our 2024 Annual Report was exceedingly time consuming and costly for us and we cannot be certain that similar situations would not occur in the future. Additionally continued delinquency in 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 general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business conditions and the release of our financial reports. Additionally, if our securities become delisted from Nasdaq and are quoted on 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, 2024, 2023, and 2022 included in our 2024 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 our 2024 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: “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Material weaknesses in internal control over financial reporting*”. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management’s attention from other matters that are important to our business. Additionally, while we remain an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

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

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

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

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

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

We are a former “shell company” and as such are subject to certain limitations not applicable to other public companies generally.

Following the Business Combination, we are a successor to a public reporting “shell company,” as defined in Rule 12b-2 under the Exchange Act. Although we are no longer a “shell company,” we are subject to certain restrictions under the Securities Act for the resale of securities issued by issuers that have been at any time previously a shell company. Specifically, the Rule 144 safe harbor available for the resale of our restricted securities is only available to our shareholders if, at the time of the proposed sale, we have filed the annual report required to be filed during the preceding twelve months, regardless of whether the restricted securities were initially issued at the time we were a shell company or subsequent to termination of such status. Other reporting companies that are not former shell companies and have been reporting for more than twelve months are not subject to this same reporting threshold for non-affiliate reliance on Rule 144. Accordingly, any restricted securities we have sold or sell in the future or issue to consultants or employees, in consideration for services rendered or for any other purpose, may not be resold unless such securities are registered with the SEC or the requirements of Rule 144 have been satisfied. As a result, it may be harder for us to fund our operations and pay our employees and consultants with our securities instead of cash. Furthermore, it may be harder for us to raise funding through the sale of debt or equity securities unless we agree to register such securities with the SEC, which could cause us to expend additional resources in the future. Our prior status as a “shell company” could prevent us in the future from raising additional funds, engaging employees and consultants, and using our securities to pay for any acquisitions, which could cause the value of our securities to decline in value.

Risks Related to Ownership of Our Ordinary Shares and Warrants

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

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

- the realization of any of the risk factors presented in this prospectus 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 us;
- 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 "*Description of Share Capital*" for additional information. Payment of dividends may also be subject to Israeli withholding taxes. See "*Taxation*".

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

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

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

The trading market for our ordinary shares and warrants will be influenced by the research and reports that industry or financial analysts publish about our business. We do not control these analysts, or the content and opinions included in their reports. As a 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 was made on June 30, 2025. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We would also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

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

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

As a company incorporated in Israel, even though we delisted our securities from the TASE, the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law") continues to apply and we are still 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 Israeli Securities Law. In addition, as a company incorporated in the State of Israel, regardless of the outcome of the petition to cease our reporting requirements in Israel, we will remain subject to the jurisdiction of the Companies Law that apply to all Israeli incorporated companies.

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

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

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

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

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

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

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

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

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

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

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

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

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

Future issuances of our ordinary shares may 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 August 29, 2025, there were 22,048,625 outstanding ordinary shares. We have issued a substantial number of convertible notes and warrants that may be converted or exercised into our ordinary shares, which will significantly dilute our existing shareholders and may adversely affect the market price of our ordinary shares. As of August 29, 2025, such securities are convertible or exercisable into an aggregate of 52,085,910 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 equityholders, we are required to register the securities of such equityholders. 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 2,965,366 ordinary shares and pre-funded warrants to purchase 664,373 ordinary shares of HUB. 364,972 of the shares issued to the BST equityholders are to be held in escrow for a period of 12 months following the closing date to secure certain indemnification obligations. 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 are subject to transfer restrictions for a period of 18 months following the closing date of January 27, 2025. Specifically, all such shares are restricted from transfer for a period of six-months. After six months, each former BST equityholder will be entitled to transfer up to 28% of its shares. Over the following 12 months, an additional 6% of the shares will be released from the lock-up each month. 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 2024. 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 Tel Aviv, Israel. In addition, a number of our officers and directors are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business and operations. On the military front, in recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip, Lebanon and Syria against civilian targets in various parts of Israel, including areas in which our employees are located, which negatively affected business conditions in Israel. Any hostilities involving Israel, regional political instability or the interruption or curtailment of trade between Israel and its trading partners could materially and adversely affect our operations and results of operations.

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

In addition, from the commencement of these events, there were continual hostilities along Israel’s northern border with Lebanon (with the Hezbollah terror organization) until a ceasefire went into effect with Hezbollah on November 27, 2024. The Houthi movement in Yemen joined the fray with intermittent missile and drone attacks against Israel. It is possible that hostilities with Hamas in Gaza or Hezbollah in Lebanon will further escalate, and that other terrorist organizations, including Palestinian military organizations in the West Bank as well as other hostile countries, will join the hostilities.

In addition, in April and October 2024, Iran launched direct attacks on Israel involving hundreds of drones and missiles and has threatened to continue to attack Israel. Iran is widely believed to be developing nuclear weapons and is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza, Hezbollah in Lebanon, the Houthis movement in Yemen and various rebel militia groups in Syria and Iraq. In addition to missile attacks on Israel, the Houthis launched attacks on global shipping routes in the Red Sea, causing disruptions of supply chains. Such clashes may escalate in the future into a greater regional conflict.

In June 2025, Israel launched a preemptive attack on Iran's nuclear facilities and other military sites, and Iran launched significant missile and drone strikes at Israeli military sites and population centers, until the United States bombed Iran's main nuclear facilities and imposed a ceasefire after 12 days of intense warfare.

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. 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 the war with Hamas broke out 56 of our overall group's 322 employees served in active duty, including our CEO and CTO. Military service call ups that result in absences of personnel for an extended period of time may materially and adversely affect our business, prospects, financial condition and results of operations.

Since the war broke out on October 7, 2023, our operations have not been adversely affected by this situation in a material manner, and we have not experienced material disruptions to our business operations. As such, our product and business development activities remain on track. However, the intensity and duration of the ongoing hostilities in the region is difficult to predict at this stage, as are such war's economic implications on our business and operations and on Israel's economy in general. If the war continues for a long period of time, our operations may be adversely affected.

We cannot predict the intensity or duration of Israel's war with Hamas or other hostilities, nor can we predict how future developments will ultimately affect our business, operations and financial condition or Israel's economy in general. While ceasefires are entered into from time to time, if any ceasefires collapse, a new war or hostilities commence or hostilities escalate or expand to other fronts, our operations may be adversely affected. These situations may potentially escalate in the future to more violent events or into a greater regional conflict, which may adversely affect Israel and us.

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

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

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 Israeli corporate tax rates of 23% in 2018 and thereafter. Additionally, if we increase our activities outside of Israel through acquisitions, for example, our activities might not be eligible for inclusion in future Israeli tax benefit programs. See “*Taxation.*”

It may be difficult to enforce a U.S. judgment against us, our officers and directors and the Israeli experts named in this prospectus 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.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS;
MARKET, RANKING AND OTHER INDUSTRY DATA**

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential” or the negative of these terms or other similar expressions. Forward-looking statements include, without limitation, our expectations concerning the outlook for our business, productivity, plans and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance.

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

- Our previously disclosed internal investigation was initiated to review allegations of misappropriation of Company funds and other potential fraudulent actions regarding the use of Company funds by a former senior officer of the Company. As a result of or in connection with the matters that were the subject of the investigation, we may become subject to certain regulatory scrutiny. 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.
- 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 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.
- We may fail to fully execute, integrate or realize the benefits expected from acquisitions, which may require significant management attention, disrupt our business and adversely affect our results of operations.
- If we are not able to remain in compliance with the continued listing standards of the Nasdaq, such failure could result in a delisting of our securities.
- 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 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.
- 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 to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.
- Our limited operating history in the field of secured data fabric and confidential computing makes it difficult to evaluate our business and prospects and increases the risk of your investment.

- The network security market is rapidly evolving within the increasingly challenging cyber threat landscape. If our solutions fail to adapt to market changes and demands, sales may not continue to grow or may decline.
- Our reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solutions or if our customers experience security breaches, which could have a material adverse effect on our business, reputation and operating results.
- Our ability to introduce new products, features, integrations and enhancements is dependent on adequate research and development resources.
- We currently have and target many customers that are large corporations and government entities, which are subject to a number of challenges and risks, such as increased competitive pressures, administrative delays and additional approval requirements.
- The market's acceptance of secured data fabric and confidential computing as implemented by our solutions is not fully proven and, is evolving, and this market may develop more slowly than or differently from our expectations.
- 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.
- 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 management team has limited experience managing a U.S. listed public company.
- Our business relies on the performance of, and we face stark competition for, highly skilled personnel, including our management 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.
- Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.
- As a company that seeks to become a comprehensive secured data fabric provider and confidential computing provider, if any of our systems, our customers' cloud or on-premises environments, or our internal systems are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of our business may be harmed, and we may lose business and incur losses or liabilities.
- 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.
- Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, financial condition and prospects.
- We may be required to indemnify our directors and officers in certain circumstances.
- We are subject to a number of securities class actions and other litigations and could be subject to additional litigation in the United States, Israel or elsewhere that could negatively impact our business, including resulting in substantial costs and liabilities.

- 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.
- 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.
- 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.
- The listing of our securities on Nasdaq did not benefit from the process undertaken in connection with an underwritten initial public offering, which could result in diminished investor demand, inefficiencies in pricing and a more volatile public price for our securities.
- Conditions in Israel 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 prospectus 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 your ownership interests and may depress the market price of our ordinary shares and warrants.
- The other matters described in the section titled “*Risk Factors*” beginning on page 11 of this prospectus.

We caution you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this prospectus. We undertake no obligation to revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear in our public filings with the SEC, which are or will be (as appropriate) accessible at www.sec.gov, and which you are advised to consult. For additional information, please see the section titled “*Where You Can Find More Information*” elsewhere in this prospectus.

Market, ranking and industry data used throughout this prospectus, including statements regarding market size and technology adoption rates, is based on the good faith estimates of our management, which in turn are based upon our management’s review of internal surveys, independent industry surveys and publications including third party research and publicly available information. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in this prospectus.

THE KEYSTONE CAPITAL TRANSACTION

General

On March 11, 2025, the Company and Keystone entered into the Purchase Agreement, which provides that subject to the terms and conditions set forth therein, the Company may sell to Keystone up to \$50,000,000 of the Company's ordinary shares from time to time during the term of the Purchase Agreement (the "Total Purchase Commitment"), or up to 22,624,434 ordinary shares, assuming a price of \$ \$2.21 per share, which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025.

Upon entering into the Purchase Agreement, the Company agreed to issue Keystone the Keystone Commitment Notes, in an aggregate amount of \$2.5 million, as consideration for Keystone's commitment to purchase ordinary shares upon the Company's direction under the Purchase Agreement. The Keystone Commitment Notes are convertible into ordinary shares, by either party, 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) six (6) months following the date of the Keystone Commitment Notes. The conversion price equals the closing market price of the ordinary shares on the date preceding the conversion date, subject to a floor price of 20% of the market price at time of issuance of the Keystone Commitment Notes. At the floor price of \$0.932, the Keystone Commitment Note issued on March 11, 2025 would be convertible into 1,072,961 ordinary shares), and at the floor price of \$0.492, the Keystone Commitment Note issued on May 28, 2025 would be convertible into 3,048,780 ordinary shares. The Company also agreed to pay Keystone up to \$100,000 for its reasonable expenses under the Purchase Agreement.

Additionally, on March 11, 2025, the Company and Keystone entered into the Registration Rights Agreement, pursuant to which the Company agreed to file a registration statement with the SEC covering the resale of ordinary shares issuable upon conversion of the Keystone Commitment Notes and the Keystone Purchase Shares

Under the terms and subject to the satisfaction of the conditions set forth in the Purchase Agreement, the Company has the right, but not the obligation, to sell to Keystone, and Keystone is obligated to purchase, up to the Total Purchase Commitment. Such sales of ordinary shares by the Company, if any, will be subject to certain limitations as set forth in the Purchase Agreement, and may occur from time to time, at the Company's sole discretion, during the Investment Period (as defined in the Purchase Agreement) commencing on the date that all of the conditions to the Company's right to commence such sales are satisfied, including that the registration statement referred to above is declared effective by the SEC. The Investment Period continues until terminated pursuant to the Purchase Agreement. Keystone has no right to require the Company to sell any ordinary shares to Keystone, but Keystone is obligated to make purchases as the Company directs, subject to satisfaction of the conditions set forth in the Purchase Agreement.

Under the Purchase Agreement, the Company may, at its discretion, from time to time from and after the Keystone Commencement Date, direct Keystone to purchase a Fixed Purchase of ordinary shares on any business day on which the closing sale price of the ordinary shares is not below \$0.50 per ordinary share; provided, however, that Keystone's committed obligation under any single Fixed Purchase shall not exceed \$50,000.

In addition to Fixed Purchases, and provided that the Company has directed Keystone to purchase the maximum allowable amount in a Fixed Purchase, the Company also may, at its discretion, from time to time from and after the Keystone Commencement Date, direct Keystone to purchase additional ordinary shares on the trading day immediately following the purchase date for such Fixed Purchase in a VWAP Purchase and, under certain circumstances set forth in the Purchase Agreement, direct Keystone to purchase additional ordinary shares on the same trading day as such VWAP Purchase in an Additional VWAP Purchase, in each case upon the terms and subject to the conditions set forth in the Purchase Agreement.

Purchase Price for Each Purchase

There is no upper limit on the price per ordinary share that Keystone may be obligated to pay for the ordinary shares in any of the Purchases. The purchase price per ordinary share for each Purchase is as follows:

- Fixed Purchase—the lesser of (i) 95% of the daily volume weighted average price of Ordinary Shares on Nasdaq, as reported by Bloomberg Financial LP using the AQR function for the five trading days immediately preceding the applicable date for such Fixed Purchase and (ii) the lowest sale price of an Ordinary Share on the applicable date for such Fixed Purchase during the full trading day on Nasdaq.
- VWAP Purchase—90% of the lower of (i) the VWAP during the applicable VWAP Purchase Period and (ii) the lowest sale price of the ordinary shares on the applicable VWAP Purchase Date.
- Additional VWAP Purchase—90% of the lower of (i) the VWAP during the applicable Additional VWAP Purchase Period and (ii) the lowest sale price of the ordinary shares on the applicable Additional VWAP Purchase Date.

Maximum Number of ordinary shares to be Purchased under each Applicable Purchase

Each Purchase has a maximum number of ordinary shares or dollar amount that may be purchased by Keystone for each applicable Purchase. The maximum number of ordinary shares, purchase prices and the closing sale prices will be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction occurring after the date of the Purchase Agreement.

- Fixed Purchase—may not exceed \$50,000.
- VWAP Purchase—lesser of (i) 300% of the number of ordinary shares directed by the Company to be purchased by Keystone pursuant to the corresponding Fixed Purchase and (ii) 30% of the trading volume in the ordinary shares on Nasdaq during the applicable VWAP Purchase Period.
- Additional VWAP Purchase—lesser of (i) 300% of the number of ordinary shares directed by the Company to be purchased by Keystone pursuant to the corresponding Fixed Purchase and (ii) 30% of the trading volume of the ordinary shares on Nasdaq during the applicable Additional VWAP Purchase Period.

Provided, however, that Keystone's maximum purchase commitment in any single VWAP Purchase, together with any one or more Additional VWAP Purchases that are effected on the same trading day as such VWAP Purchase, may not exceed \$1,000,000 in the aggregate for such VWAP Purchase and Additional VWAP Purchases.

The Purchase Agreement also prohibits the Company from directing Keystone to purchase any ordinary shares if those ordinary shares, when aggregated with all other ordinary shares then beneficially owned by Keystone and its affiliates, would result in Keystone having beneficial ownership of more than 4.99% of the outstanding ordinary shares.

The Purchase Agreement contains customary representations, warranties, covenants, indemnification and termination provisions. Keystone has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the ordinary shares. The Purchase Agreement includes restrictions on the Company's ability to enter into "variable rate transactions" or similar transactions during certain periods. The Purchase Agreement may be terminated by the Company at any time, at the Company's sole discretion, without any cost or penalty (subject to certain conditions including payment of required fees), on one (1) trading day prior written notice to Keystone. Neither the Company nor Keystone may assign or transfer its rights and obligations under the Purchase Agreement, and provisions may not be modified or waived after one trading day before the initial registration statement filing.

Conditions to Commencement and for Delivery of Purchase Notices

The Company's ability to deliver Fixed Purchase notices, VWAP Purchase notices, and Additional VWAP Purchase notices to Keystone under the Purchase Agreement are subject to the satisfaction of certain conditions similar to those described above, with additional requirements specific to Israeli law and the Company's status as an Israeli company.

Termination of the Purchase Agreement

Unless earlier terminated as provided in the Purchase Agreement, the Purchase Agreement will terminate automatically on the earliest to occur of:

- the expiration of the Registration Statement pursuant to Rule 415(a)(5) of the Securities Act;
- the date on which Keystone shall have purchased the Total Purchase Commitment pursuant to the Purchase Agreement;
- the date on which the ordinary shares shall have failed to be listed or quoted on the Trading Market or any Eligible Market;
- the thirtieth (30th) Trading Day next following the date on which the Company commences a voluntary bankruptcy case or any third party commences a bankruptcy proceeding against the Company; and
- the date on which a custodian is appointed for the Company or the Company makes a general assignment for the benefit of its creditors.

The Company has the right to terminate the Purchase Agreement at any time after Commencement, subject to certain conditions, upon one trading day's prior written notice to Keystone.

Effect of Performance of the Purchase Agreement on Shareholders

All ordinary shares that may be issued or sold by the Company to Keystone under the Purchase Agreement are expected to be freely tradable. The resale by Keystone of a significant amount of ordinary shares at any given time, or the perception that these sales may occur, could cause the market price of the ordinary shares to decline and be highly volatile. Sales of ordinary shares to Keystone will depend upon market conditions and other factors to be determined by the Company. The Company may ultimately decide to sell to Keystone all, some or none of the ordinary shares available for sale pursuant to the Purchase Agreement. If and when we do sell ordinary shares to Keystone, after Keystone has acquired the ordinary shares, Keystone may resell all, some or none of those ordinary shares at any time or from time to time in its discretion. Therefore, sales to Keystone by us under the Purchase Agreement may result in substantial dilution to the interests of other holders of our ordinary shares.

Pursuant to the terms of the Purchase Agreement, we have the right, but not the obligation, to direct Keystone to purchase up to \$50,000,000 of our ordinary shares, subject to certain limitations. We have registered only a portion of the ordinary shares issuable under the Purchase Agreement and, therefore, we may seek to issue and sell to Keystone under the Purchase Agreement more ordinary shares than are offered under this prospectus. If we choose to do so, we must first register for resale under the Securities Act any such additional ordinary shares, which could cause additional substantial dilution to our shareholders. The number of ordinary shares ultimately offered for resale under this prospectus is dependent upon the number of ordinary shares we direct Keystone to purchase under the Purchase Agreement.

The following table sets forth the amount of gross proceeds we would receive from Keystone from our sale of ordinary shares to Keystone under the Purchase Agreement at varying purchase prices:

Assumed Purchase Price Per Share (\$) (4)	Number of Registered Shares to be Purchased if Full Purchase (1)	Percentage of Outstanding Shares After Giving Effect to the Issuance to Keystone (2)	Gross Proceeds from the Sale of Shares to Keystone Under the Purchase Agreement (\$)
\$1.00	22,624,434	50.6%	\$ 22,624,434
\$1.50	22,624,434	50.6%	\$ 33,936,651
\$2.00	22,624,434	50.6%	\$ 45,248,868
\$2.21(3)	22,624,434	50.6%	\$ 50,000,000
\$3.00	16,666,667	43.0%	\$ 50,000,000
\$4.00	12,500,000	36.2%	\$ 50,000,000
\$5.00	10,000,000	31.2%	\$ 50,000,000

(1) Although the Purchase Agreement provides that we may sell up to \$50 million of our ordinary shares to Keystone, we are only registering 26,746,175 ordinary shares for resale under the registration statement of which this prospectus forms a part (assuming a price of \$2.21 per share, which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025), including the 4,121,741 ordinary shares underlying the Keystone Commitment Notes issued or issuable to Keystone on in consideration of Keystone's commitment to purchase our ordinary shares at our direction under the Purchase Agreement, for which we will receive no cash proceeds. Therefore, only 22,624,434 of such ordinary shares represent ordinary shares that we may issue and sell to Keystone for cash consideration in purchases under the Purchase Agreement from time to time, at our sole discretion, during the Investment Period commencing on the Keystone Commencement Date, which may or may not cover all the ordinary shares we ultimately sell to Keystone under the Purchase Agreement, if any, depending on the purchase price per ordinary share. We have included in this column only the 22,624,434 ordinary shares that we may issue and sell to Keystone for cash consideration in purchases under the Purchase Agreement that are being registered for resale in the offering made by this prospectus (excluding the 4,121,741 ordinary shares underlying Keystone Commitment Notes), without regard for the Beneficial Ownership Cap.

(2) The denominator is based on 22,048,625 ordinary shares outstanding as of August 29, 2025 adjusted to include the issuance of the number of ordinary shares set forth in the adjacent column that we would have sold to Keystone, assuming the average purchase price in the first column. The numerator is based on the number of ordinary shares issuable under the Purchase Agreement at the corresponding assumed average purchase price set forth in the first column.

(3) The closing sale price of our ordinary shares on August 29, 2025.

USE OF PROCEEDS

This prospectus relates to our ordinary shares that may be offered and sold from time to time by the Selling Securityholder pursuant to the Purchase Agreement. The Selling Securityholder will receive all of the proceeds from the sale of the ordinary shares offered for sale by it under this prospectus. We will not receive proceeds from the sale of the ordinary shares by the Selling Securityholder through this prospectus. However, we will incur expenses in connection with the registration of the ordinary shares offered hereby.

We may receive up to \$50,000,000 in gross proceeds pursuant to the Purchase Agreement. See “*Plan of Distribution*” elsewhere in this prospectus for more information. However, the actual proceeds may be less than this amount depending on the number of ordinary shares sold and the price at which the ordinary shares are sold.

We intend to use any proceeds from any sales of ordinary shares to Keystone under the Purchase Agreement for working capital and general corporate purposes. Pending other uses, we intend to invest the net proceeds to us in investment-grade, interest-bearing securities such as money market funds, certificates of deposit, or direct or guaranteed obligations of the U.S. government, or hold as cash. We cannot specify with certainty all of the particular uses for the net proceeds that we will have from the sale of our ordinary shares pursuant to the Purchase Agreement. Therefore, our management will have broad discretion to determine the specific use for the net proceeds, and we may use the proceeds for purposes that are not contemplated at the time of this offering.

The Selling Securityholder will pay any underwriting fees, discounts, selling commissions, stock transfer taxes and certain legal expenses incurred by such Selling Securityholder in disposing of its ordinary shares, and we will incur all costs associated with this prospectus and the registration statement of which it is a part.

DIVIDEND POLICY

We do 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. For additional information see “*Description of Share Capital - Dividend and Liquidation Rights*” and “*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 “*Taxation-Israeli Tax Considerations*” for additional information.

DILUTION

The sale of ordinary shares to the Selling Securityholder pursuant to the Purchase Agreement will have a dilutive impact on our shareholders. In addition, the lower the price of our ordinary shares is at the time we exercise our right to issue and sell ordinary shares to Selling Securityholder, the more of our ordinary shares we will issue to raise our desired amount of proceeds from the sale, and the greater the dilution to our existing shareholders.

The price that the Selling Securityholder will receive for our ordinary shares when resold pursuant to this prospectus will depend upon the timing of sales and will fluctuate based on the trading price of our ordinary shares.

We calculate net tangible book value per ordinary share by dividing our net tangible book value, which is tangible assets less total liabilities, by the number of our outstanding ordinary shares. Dilution represents the difference between the portion of the amount per ordinary share paid by purchasers of ordinary shares in this offering and the as adjusted net tangible book value per ordinary share immediately after giving effect to this offering. As of December 31, 2024, we had a net tangible book value of \$(87.03) million, or \$(24.55) per ordinary share.

After giving effect to the assumed sale of 22,624,434 ordinary shares for the Keystone Purchase Shares and after deducting estimated offering expenses payable by us, the as adjusted net tangible book value would have been approximately \$(37.23) million, or \$(1.42) per share. This represents an immediate increase in net tangible book value of \$23.13 per share to existing shareholders and an immediate dilution of \$3.63 per share to new investors purchasing shares of ordinary shares in this offering. The following table illustrates this substantial and immediate per share dilution to new investors.

The following table illustrates this dilution on a per ordinary share basis:

Assumed public offering price per ordinary share for the Keystone Purchase Shares (which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025)	\$	2.21
Historical net tangible book value per share as of December 31, 2024	\$	(24.55)
Increase in historical net tangible book value per share attributable to the sale of ordinary shares in the offering		<u>23.13</u>
As adjusted net tangible book value per share after giving effect to the offering ⁽¹⁾	\$	<u>(1.42)</u>
Dilution in net tangible book value per share to new investors on an as adjusted basis	\$	<u><u>3.63</u></u>

(1) A \$1.00 increase or decrease in the assumed public offering price per share of ordinary shares of \$2.21, which was the last reported sale price of our ordinary shares on the Nasdaq on August 29, 2025, would increase (decrease) the as adjusted net tangible book value by \$23.99 per share and the dilution to investors participating in this offering by \$3.77 per share, assuming the number of ordinary shares offered by us as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated expenses payable by us. Similarly, an increase of 500,000 in the ordinary shares of offered by us, as set forth on the cover page of this prospectus, would decrease the as adjusted net tangible book value by \$23.2 per share and decrease the accretion to investors participating in this offering by \$3.56 per share, assuming a public offering price per ordinary share of \$2.21, which was the last reported sale price of our ordinary shares on the Nasdaq on August 29, 2025, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Conversely, an decrease of 500,000 in the ordinary shares offered by us, as set forth on the cover page of this prospectus, would increase the as adjusted net tangible book value by \$23.06 per share and increase the accretion to investors participating in this offering by \$3.7 per share, assuming a public offering price per ordinary share of \$2.21, which was the last reported sale price of our ordinary shares on the Nasdaq on August 29, 2025, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of ordinary shares to be outstanding prior to and after this offering is based on 22,048,625 ordinary shares outstanding as of August 29, 2025, on an as adjusted basis, and unless otherwise indicated, excludes, as of such date, the following:

- 20,528 stock options at a weighted average exercise price of \$28.4 per share;
- 9,949,842 warrants;
- 429,241 pre-funded warrants;
- 810,000 reserved shares for an executive, subject to satisfaction of performance milestones;
- 662,820 restricted stock units (RSUs); and
- 55,324 ordinary shares that have been reserved for issuance in connection with future grants under our 2021 Employee Stock Option Plan.

The discussion and table above assume no exercise of outstanding options or warrants. To the extent that options or warrants are exercised, you may experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our audited consolidated financial statements and the accompanying notes thereto for the year ended December 31, 2024, included elsewhere in this prospectus. We have prepared our consolidated financial statements in this prospectus in pounds sterling and in accordance with IFRS, as issued by the International Accounting Standards Board, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including generally accepted accounting principles in the United States.

The following discussion and analysis contains forward-looking statements. Statements that are not statements of historical fact, including expression of management's beliefs and expectations, may be forward-looking in nature and based on current plans, estimates, projections and beliefs. Forward-looking statements are applicable only as of the date made, and we undertake no obligation to update any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These factors include those identified under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Overview

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

Data Fabric

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

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

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

Traditional Approaches to Cybersecurity

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

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

Confidential Computing

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

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

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

Basis of presentation

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

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

Business Combination

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

BST Merger

On January 15, 2025, HUB entered into the Agreement and Plan of Merger with BST and BST Merger Sub. Pursuant to the BST Merger Agreement, BST Merger Sub merged with and into BST, with BST surviving the merger. Upon the consummation of the BST Merger on January 27, 2025, BST became a wholly owned subsidiary of HUB.

Our Segments

We organize our business into two reporting segments:

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

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

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

Key Factors Affecting Our Results of Operations

Retention and Expansion of Customer Base

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

For the year ended December 31, 2024, HUB, annual revenue decreased by 31% from \$42.7 million for the year ended December 31, 2023 to \$29.6 million for the year ended December 31, 2024.

HUB achieved a gross retention rate of 89% and 90% as of December 31, 2023 and 2024, respectively, for customers who generated over \$26.6 million revenues over the trailing 12 months.

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

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

Technologically Advanced Solutions

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

Market Trends

HUB believes there will be a transformation in the IT industry over the next decade. HUB anticipates that there will be robust demand for its products as consumers, businesses and governments across all geographies and industries will need to replace the existing traditional data management and network security solutions and that, as a result, there is significant market opportunity for HUB's more secure data fabric and confidential computing systems.

Impact of Acquisitions

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

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

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

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

During the period from the respective date of acquisition to December 31, 2024, 2023 and 2022, ALD and Comsec contributed together \$29,562,000, \$42,657,000 in revenue and \$50,002,000 (neutralizing of \$29,741,000 from discontinued operation revenues) (respectively), and \$42,652,000, \$50,767,000 in net loss and \$37,229,000 (neutralizing of \$569,000 from discontinued operation net loss) (respectively) to the Company's results of operations.

The Comsec Acquisition and ALD Merger have been significant drivers of HUB's growth in revenue and expenses during the years ended December 31, 2022, December 31, 2023 and December 31, 2024. The impact of future acquisitions on HUB's financial condition and results of operations will depend on HUB's success in identifying and acquiring target businesses and assets that fulfil these criteria, integrating them into HUB's business, and realizing the targeted synergies and other expected benefits of the transactions.

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

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

In November 2023, HUB began to collaborate with BST with the goal to become a significant player in the secured data fabric industry. On January 15, 2025, HUB 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 HUB. As a result of the acquisition, HUB issued to BST equityholders 2,965,366 ordinary shares and pre-funded warrants to purchase 664,373 ordinary shares of HUB. 364,972 of the shares issued to the BST equity holders are being held in escrow for a period of 12 months following the closing date to secure certain indemnification obligations. 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.

With respect to the Comsec acquisition, Comsec is composed of two business activities - distribution and services - both which are in the field of cybersecurity. During 2023, financial difficulties arose in Comsec's distribution activity, which included, among other things, difficulty in paying off obligations to suppliers in the amount of approximately NIS 26 million (\$7 million), and as a result the termination of exclusive distribution licenses, cessation of sales started in July 2023, which resulted in layoffs and departures of employees, so that as of December 31, 2023 there are no employees under this activity.

All of the noted circumstances, among others, led HUB to conduct an assessment for "discontinued operation" per IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, where the conclusion was that Comsec Distribution LTD (part of Comsec) needed to be defined as "discontinued operation". Therefore, the presentation for the period ended December 31, 2023 as well as the comparable numbers from prior periods, were adjusted to properly reflect that.

Since the distribution activity has been classified and presented as "discontinued operation" per IFRS5, the performance presentation is separate from the ongoing business, which does not have a direct impact on the operating results and cash flow.

With respect to the acquisition of Legacy, HUB recorded an impairment in 2022, which was driven by the fact that revenue was not recognized or that HUB had not acquired new customers from Legacy's assets. As a result, all of those circumstances led to conclusion where such asset was no longer viable and would not generate economic benefits in future.

With respect to the acquisition of ALD, according to IAS36, regarding impairment, once a year following an acquisition, HUB must perform an impairment test in order to ensure that the net book value of the assets are recoverable. In such assessment, which is based on several paraments, if there is a situation where the enterprise value is lower compared to the carrying amount of the CGU, then the impairment entry must be recorded to reflect such impairment. HUB has used third party evaluation services to thoroughly assess the outcome as of December 31, 2023, where the profit and loss approach has been selected and is based on five parameters, which are depreciation and amortization, capital expenditures, investment in working capital, weighted average cost of capital and sensitivity analysis. The outcome of the analysis has been reflected in HUB's books. The fact that ALD will not generate the expected cash flow as planned will negatively affect the cash flow of the Company and its subsidiaries ("the Group"). In order to mitigate and address the risk, the Company focuses on two main areas: (1) seek new business opportunities in the overall services arena and (2) explore and evaluate additional capital investments which results in positive cash flow impact.

Continued Innovation

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

As a result, HUB expects research and development expenses to increase on an absolute basis in future periods. HUB foresees that such investment in research and development will contribute to long-term growth but will also negatively impact short-term profitability. For the year ended December 31, 2024, HUB's research and development expenses as a percentage of revenue were approximately 6.8%.

Continued Investment in Growth

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

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

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

For the year ended December 31, 2024, sales and marketing expenses as a percentage of revenue were approximately 18.5%.

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

We expect our general and administrative expenses will decrease, as it did in the last two consecutive years, significant amount was recorded due to litigations services provided to the group subjected to the merge transactions and other litigations matters.

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. Part of these expenses are partially offset by government grants received from the Israel Innovation Authority. HUB believes that continuing to invest in research and development efforts is essential to maintaining its competitive position. HUB expects research and development expenses, net from government grants, to increase in the future as it continues to broaden its product portfolio.

Sales and Marketing Expenses

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

General and Administrative Expenses

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

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

Finance Income and Finance Expenses

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

Taxes on Income

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

Results of Operations

The following table sets forth HUB's operating results for the years ended December 31, 2024 and 2023. We have derived this data from our consolidated financial statements included elsewhere in this prospectus and in our 2024 Annual Report. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus and in our 2024 Annual Report. The results of historical periods are not necessarily indicative of the results of operations for any future period. The numbers take into consideration the discontinuation of Distribution, a Comsec subsidiary.

	Year ended December 31,		Change (In thousands)	% Change
	2024	2023		
	(In thousands)	(In thousands)		
Revenue	29,562	42,657	(13,095)	(30.7)%
Cost of Revenue	24,515	41,907	(17,392)	41.50%
Gross Profit	5,047	750	4,297	(572.93)%
Research and development expenses, net	2,002	5,886	(3,884)	(65.99)%
Selling and marketing expenses	5,457	10,694	(5,237)	(48.97)%
General and administrative expenses	23,630	49,172	(25,542)	(51.94)%
Other expenses, net	181	12,723	(12,542)	(98.58)%
Operating loss	(26,223)	(77,725)	51,502	(66.26)%
Finance income	(2,220)	(484)	(1,736)	358.6%
Financial expenses	12,586	7,194	5,392	74.95%
Loss before taxes on income	(36,589)	(84,435)	47,461	(56.10)%
Taxes on income	557	171	386	225.81%
Net loss from continuing operation	(37,146)	(84,606)	47,460	(56.10)%
Net income (loss) from discontinued operation	(1,885)	(2,030)	145	(7.14)%
Total net loss	(39,031)	(86,636)	47,605	(54.95)%

Comparison of the Years Ended December 31, 2024 and 2023

Revenue

Revenue was \$29,562,000 and \$42,657,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a decrease of \$13,095,000 or 30.7%, for the year ended December 31, 2024 compared to 2023.

The reduction in revenues in aggregate amount of \$12,900,000 is attributed to the professional services segment, due to termination of less profitable long term governmental projects with several customers.

The table below sets forth a breakdown of HUB's revenue by customer location for the years ended December 31, 2024 and 2023.

	Year ended December 31,		Change	Change %
	2024	2023		
	(In thousands)	(In thousands)		
Israel	27,808	40,364	(12,556)	(31.11)%
America	699	334	365	109.28%
Europe	1,055	1,669	(614)	(36.79)%
Asia Pacific	-	290	(290)	(100)%
Total	\$ 29,562	\$ 42,657	(13,095)	(30.7)%

Cost of Revenue

Cost of revenue was \$24,515,000 and \$41,907,000 for the years ended December 31, 2024 and 2023 respectively, resulting in a decrease of \$17,285,000 or 41.50% for the year ended December 31, 2024.

The decrease consisted of \$17,285,000 in the Professional Services Segment and decrease of \$107,000 in the Products and Technology Segment. The decrease is mainly attributed to headcount reduction as well as subcontractors support associated with the governmental projects in aggregate amount of \$11,000,000 as well as one off recorded in 2023 for impairment of supplier backlog of \$3,800,000.

Gross Profit

Gross profit was \$5,047,000 and \$750,000 for the years ended December 31, 2024 and 2023, respectively, resulting in an increase of \$4,297,000 or 572.93%, for the year ended December 31, 2024, compared to 2023. The increase was mainly attributable to one off recorded in 2023 for impairment of “supplier backlog” intangible asset in an amount of \$3,800,000.

Research and Development Expenses, net

Research and development expenses, mainly attributed to the Products and Technology Segment, were \$2,002,000 and \$5,886,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a decrease of \$3,884,000 for the year ended December 31, 2024 compared to the year ended December 31, 2023. The decrease is mainly headcount reduction in an aggregate amount of \$4,800,000, which is partially offset by a one off recorded in 2023 due to the government grants in an amount of \$1,300,000.

Selling and Marketing Expenses

Selling and marketing expenses were \$5,457,000 and \$10,694,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a decrease of \$5,237,000 or 48.97%. The decrease is attributed to a reduction of \$1,490,000 in salaries and related expenses due to a decrease in headcount in HUB’s marketing department and a decrease in an amount of \$4,996,000 related mainly to impairment of customer relationships intangible asset from 2023, which is partially offset by an increase in advertising and public relations in an amount of \$1,093,000.

General and Administrative Expenses

General and administrative expenses were \$23,630,000 and \$49,172,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a decrease of \$25,542,000 or 51.94%. The decrease is mainly attributed to the following: Payroll G&A decrease by \$1,900,000 mainly due to a headcount decrease, consulting expenses decreased by \$12,250,000, impairment expenses decreased by \$10,071,000.

Other Expenses

Other expenses were \$181,000 and \$12,723,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a decrease of \$12,542,000, or 98.58%, which was mainly attributed to SPAC’s associated merger expenses recorded in 2023 in aggregate amount approximately \$12,311,000.

Finance Income and Finance Expenses

Financial expenses were \$12,586,000 and \$7,194,000 for the years ended December 31, 2024 and 2023, respectively, and finance income was \$2,220,000 and \$484,000 for the years ended December 31, 2024 and 2023, respectively, resulting in a net increase of \$3,656,000 of finance expenses. The increase is primarily attributed to convertible components measurement, warrants measurement and interest expenses recorded in 2024 compared to 2023.

Taxes on Income

Taxes on income were \$557,000 and \$171,000 for the years ended December 31, 2024 and 2023, respectively.

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		Change	% Change
	2024	2023		
	(in thousands)			
Revenue				
Products and Technology Segment ⁽¹⁾	1,039	1,068	(29)	(2.72)%
Professional Services Segment ⁽²⁾	28,523	41,589	(13,066)	(31.42)%
Total	\$ 29,562	\$ 42,657	(13,095)	(30.7)%

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

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

	Year ended December 31			
	2024	2023	Change	% Change
	(in thousands)			
Segment results (operating loss)				
Products and Technology Segment	(9,137)	(30,690)	21,553	(70.23)%
Professional Services Segment	(17,086)	(33,153)	16,067	(48.46)%
Unallocated*	-	(13,882)	13,882	100%
Total	\$ (26,223)	\$ (77,725)	51,502	(66.26)%

* In 2023, the expenses related to the SPAC merger and ELOC.

Non-IFRS Financial Metrics

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

Adjusted EBITDA

HUB defines Adjusted EBITDA as net loss as adjusted for income taxes, finance income, finance expenses, depreciation and amortization, impairments, share-based compensation expense, SPAC transaction cost and other one-time costs. Adjusted EBITDA is included in this prospectus and in our 2024 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,			
	2024	2023	Change	% Change
	(In thousands)			
Net loss from continuing operation	\$ (37,146)	\$ (84,606)	47,460	(56.1)%
Adjusted EBITDA	\$ (18,912)	\$ (12,165)	(6,747)	(55.46)%

Adjusted EBITDA decreased in the year ended December 31, 2024 primarily as a result of the significant growth in the Company's operations cost across all of our business (see below analysis).

	Year ended December 31,			
	2024	2023	Change	% Change
	(In thousands)			
Net loss	\$ (37,146)	\$ (84,606)	47,460	(56.1)%
Finance income ⁽¹⁾	(2,220)	(484)	(1, 736)	358.6%
Finance expenses ⁽¹⁾	12,586	7,194	5,392	74.95%
Taxes on income	557	171	386	226%
Depreciation and amortization ⁽²⁾	2,379	7,637	(5,258)	(68.85)%
Share-based compensation expense ⁽³⁾	2,070	7,115	(5,045)	(71)%
Transaction costs	-	4,943	(4,943)	(100)%
One time cost ⁽⁴⁾	2,209	30,607	(26,774)	(87)%
Impairment of Goodwill and intangibles ⁽⁵⁾	653	15,258	(14,605)	(95.72)%
Adjusted EBITDA	\$ (18,912)	\$ (12,165)	(6,747)	\$ (55.46)%

1. Represents mainly finance expenses, net, which were recorded on to convertible loans & warrants issued during 2023 and 2024
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. In 2023 we have recorded \$7.6 million on convertible loans, \$12.3 million of merger expenses, OPCO commission of \$7.6 million, ELOC facility costs \$1.58 million, special audit fees of \$1.6 million while in 2024 we have recorded non-recurring consultancy fees.
5. Represents technology goodwill and impairment of intangibles

Liquidity and Capital Resources

Since inception, we have 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 expect our capital expenditures and working capital requirements to increase in the near future, as it seeks to produce confidential computing products and continue its research and development efforts. As of December 31, 2024, our cash and cash equivalents were about \$3,085,000. 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 spend, and potentially divesting assets.

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

As a result of liquidity and cash flow concerns that have arisen due to factors related to our business operations, we continue to 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 payments due to our debt holders, vendors and service providers, which led into situation where a hold was placed on certain of our bank accounts. Between October 2024 and July 2025, we have been unable to make required deposits in employee pension and severance funds which were later paid and settled. Furthermore, we have been unable to fully make required to pay required withholding taxes on employee compensation payments and governmental 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.

In November 2024, we reached a settlement agreement with the unsecured creditors of Comsec, subject to which we will pay NIS 1,800,000 (approximately \$532,000 USD) spread over 36 months.

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 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 is convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than \$15.00 or lower than the Nasdaq floor price. The note does not bear interest and matures on February 18, 2030, at which time the Company is entitled to convert the note into ordinary shares. As of June 2025, Claymore converted the note in full into 1,831,255 ordinary shares, at a conversion price of \$3.00 per share.

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 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 is convertible at the option of the holder at a discount of 25% to the prevailing market price, but not higher than \$15.00 or lower than the Nasdaq floor price. The note does not bear interest and matures on February 20, 2030, at which time the Company is entitled to convert the note into ordinary shares. As of June 2025, Claymore converted the note in full into 2,500,000 ordinary shares, at a conversion price of \$3.00 per share.

In December 2024, we restructured \$7 million of secured debt with United Mizrahi Tefahot Bank (UMTB) through our subsidiary Comsec Ltd., representing over 60% of our secured debt. This agreement defers principal payments until June 30, 2025. The Company maintains regular communication with UMTB regarding the current default and future payment schedule. The relationship with UMTB remains collaborative, with ongoing discussions about potential additional financing facilities.

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 our 2024 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 registration statement, we expect to be able to obtain additional sources of debt and equity financing, together with additional revenues from new business opportunities and has engaged with potential investors with regards to such financing alternatives. However, such opportunities remain uncertain and are predicated upon events and circumstances which are outside our control. The inability to borrow or raise sufficient funds on commercially reasonable terms, would have serious consequences to our financial condition and results of operations.

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 2025 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 Risk Factors ³/₄ *"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"*

Additionally, we signed subscription agreements for the purchase of \$50 million of our ordinary shares to be offered in a private placement in connection with the closing of the Business Combination Agreement (the "PIPE Investors"). However, upon the closing of the Business Combination Agreement, we did not receive the funds related to the private placement. Negotiation with the PIPE investors resulted in closing on \$4 million to date. The investors never explained their breach of the subscription agreements. While we are considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain that we will be able to receive the remaining PIPE funds.

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

Material Cash Requirements

The table below summarizes certain material cash requirements as of the year ended December 31, 2024 that will affect the HUB's future liquidity. HUB plans to utilize its liquidity and its cash flows from business operations including investments to fund its material cash requirements.

	2025	2026	2027	2028	2029	Thereafter	Total
	Total (in thousands)						
Loans from bank	7,177	-	-	-	-	-	7,177
Loans from others	6,357	-	-	-	-	-	6,357
Lease liabilities	956	741	408	82	-	-	2,187
Liabilities for government grants	270	33	30	27	25	102	487
Total	\$ 14,760	\$ 774	\$ 438	\$ 109	\$ 25	\$ 102	\$ 16,208

Cash Flows Summary

The following table shows a summary of HUB's cash flows for the years ended December 31, 2024 and 2023.

	Year ended December 31,			
	2024	2023	Change	% Change
	(In thousands)			
Net cash provided by / (used in):				
Net cash used in operating activities	\$ (17,110)	\$ (16,202)	(908)	(5.6)%
Net cash provided by / (used in) investing activities	(452)	2,136	(2,588)	(121.16)%
Net cash provided by financing activities	17,176	12,927	4,249	32.88%
Exchange rate differences on cash and cash equivalents	(51)	667	(718)	(107.80)%
Net (decrease) in cash and cash equivalents	\$ (437)	\$ (472)	\$ 35	(7.41)%

Cash Flows Used in Operating Activities

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 a 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 amount of \$2,420,000, share-based compensation expenses in total amount of \$2,070,000, intangible assets and goodwill impairment in an amount of \$653,000 and depreciation and amortization in an 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.

Net cash used in operating activities was \$16,202,000 for the year ended December 31, 2023, reflecting a net loss of \$86,636,000 and a non-cash adjustments of \$57,489,000, which primarily consists of share-based payment in an amount of \$7,115,000, intangible assets impairment in an amount of \$15,258,000 transaction costs related to the SPAC merger in an amount of \$12,312,000 and depreciation and amortization in an amount of \$7,637,000. In addition, changes in asset and liability items in 2023 were \$14,044,000, which was primarily affected by a decrease in trade receivables in the amount of \$13,242,000.

Cash Flows Used in Investing Activities

Net cash used in investing activities was (\$452,000) for the year ended December 31, 2024, compared with \$2,136,000 for the year ended December 31, 2023, resulting in a decrease of \$2,588,000. The decrease was primarily attributed to the amounts transferred to BlackSwan subjected to the "collaboration agreement" between the companies, in an amount of \$1,615,000 and a decrease due to a withdrawal from restricted bank deposit in an amount of \$1,363,000.

Cash Flows Provided by Financing Activities

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

Net cash provided by financing activities was \$17,176,000 for the year ended December 31, 2024, compared with \$12,927,000 for the year ended December 31, 2023, resulting in an increase of \$4,249,000. The increase was primarily due to an increase in Receipt of short-term loans in an amount of \$4,588,000.

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 470,000 ordinary unrestricted shares at \$0.50 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 \$0.50 per share. Additionally, HUB issued 200,000 new warrants to Jamie Goldstein under the same terms, exercisable at \$0.50 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 100,000 unrestricted ordinary shares to PrivCap by August 22, 2025, provided the stock price is at least \$2.75 per share on the transfer date. If the share price falls below \$2.75 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 1,000 additional shares 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 110,000 ordinary shares to the 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 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 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.

HUB Mizrahi Loans

On July 6, 2020, Comsec Distribution Ltd. entered into a credit agreement (the “Comsec Distribution Term Loan”) with Bank Mizrahi. The Comsec Distribution Term Loan provided for an NIS 5 million (approximately \$1.4 million) term loan maturing on June 20, 2026. The principal amount of the Comsec Distribution Term Loan is repaid in monthly installments with the final payment aligning with the maturity date. As of December 31, 2024 the remaining principal amount on the Comsec Distribution Term Loan was \$627,000.

On September 1, 2021, Comsec Ltd. entered into a credit agreement (the “Comsec Ltd. Term Loan”) with Bank Mizrahi. The Comsec Ltd. Term Loan provides for an NIS 6 million (approximately \$1.7 million) term loan maturing on September 10, 2024. The principal amount of the Comsec Ltd. Term Loan is repaid in quarterly installments with the final payment aligning with the maturity date. The Comsec Ltd. Term Loan bears annual interest of Prime (Bank of Israel intrabank) + 1.95%. As of December 31, 2024 the remaining principal amount is \$877,000.

Additionally, in September 2021, Comsec Ltd. received a loan from Bank Mizrahi with an original principal amount of NIS 980,000 (approximately \$278,000). The loan bears interest annually at Prime (Bank of Israel intrabank) + 1.5%. As of December 31, 2024 the remaining principal amount on the Comsec Ltd. Term Loan was \$153,000.

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

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

On December 19, 2024, HUB signed a settlement agreement with Bank Mizrahi to restructure \$6.1 million of HUB’s secured debt with Bank Mizrahi, through its wholly-owned subsidiary Comsec Ltd.

Under the settlement agreement, payments are deferred until June 2025. The Company maintains regular communication with Bank Mizrahi regarding the current default and future payment schedule. The relationship with Bank Mizrahi remains collaborative, with ongoing discussions about potential additional financing facilities.

Qpoint Loans

On May 1, 2023, Qpoint Technologies Ltd., an Israeli company received a loan from the First International Bank of Israel Ltd. ("FIBI"), with an original principal amount of NIS 1,700,000 (\$469,000) and repayable in 12 installments beginning in June 2023. The loan was bearing interest of Prime + 1.1%. As of December 31, 2024, the loan has been fully repaid.

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

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

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

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

On May 1, 2024, Qpoint received a loan from FIBI, with an original principal amount of NIS 1,200,000 (\$321,000) and repayable in 12 installments beginning in June 2024. The loan is bearing interest of 7.10%. As of December 31, 2024, the remaining principal amount is \$240,000.

During 2024, Qpoint received On-call loans from FIBI, in an aggregate principal amount of NIS 6,300,000 (\$1,703,000). The loan is bearing interest of Prime + 1.1%. As of December 31, 2024, the remaining principal amount is \$521,000.

Aginix Loans

On May 1, 2023, Aginix Engineering and Project Management Ltd., a wholly owned subsidiary of Qpoint, received a loan from Bank Hapoalim Ltd. ("Bank Hapoalim"), with an original principal amount of NIS 1,000,000 (\$267,000) and repayable in 12 installments from June 2023. The loan bearing interest of 7.25%. As of December 31, 2024, the loan has been fully repaid.

On July 19, 2024, Aginix received a loan from Bank Hapoalim, with an original principal amount of NIS 1,200 thousand (\$334 thousand) and repayable in 12 installments beginning in August 2024. The loan is bearing interest of 7%. As of December 31, 2024, the remaining principal amount is \$195,000.

On December 31, 2024, Aginix received a loan from Bank Hapoalim, with an original principal amount of NIS 500,000 (\$137,000) and repayable in 12 installments beginning in January 2025. The loan is bearing interest of 6.5%. As of December 31, 2024, the remaining principal amount is \$137,000.

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.

At the initial closing, we issued August 2025 Notes in the aggregate original principal amount of \$8,640,625 for an aggregate purchase price of \$7,718,750 in cash and the exchange of the notes that we issued previously to investors in July 2025. The notes issued in July and August 2025 resulted in aggregate cash proceeds of \$4,625,000 and the exchange of notes issued by us in March and April 2025 in the aggregate principal amount of \$2,187,500. The August 2025 Notes issued in consideration for cash were issued with a 20% original issue discount, and the August 2025 Notes issued in consideration for our outstanding notes were issued at a 10% discount pursuant to the terms of such notes. The proceeds of the offerings under the August 2025 SPA will be used for general corporate purposes and operating expenses, including the repayment of debt. In particular, we plan to use proceeds of the offering to repay a portion of our loan from Agile Lending LLC, with the balance of the loan expected to be reinvested in the Company in a subsequent closing under the August 2025 SPA.

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 \$2.88 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 \$1.00 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. 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. If a Holder converts its Note during an event of default and the prevailing market price at the time of conversion (i.e., the lower of (i) the last closing price and (ii) the average closing price for the last five trading days) is lower than the conversion price then in effect, the conversion price will equal the lower of the conversion price than in effect and 90% of lowest VWAP during the five-days up to and including the date of conversion, subject to a \$1.00 floor price.

In addition to the August 2025 Notes, at the initial closing under the August 2025 SPA, we issued to the investors the August 2025 Warrants to purchase an aggregate of 1,500,108 ordinary shares. The August 2025 Warrants have an initial exercise price of \$3.60 per share, subject to decrease on day 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 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 reserve 200% of the shares issuable upon conversion of all August 2025 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 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 20,833 ordinary shares 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.

Between March and April, 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 \$2,187,500 for an aggregate purchase price of \$1,750,000 (plus 25% original issue discount). The March 2025 Notes mature on December 11, 2025 (\$1,625,000) and January 30, 2026 (\$562,500), do not bear interest, and include a prepayment option at a premium of 125%. In addition, the Company is 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 have 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 will be 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.

ELOC Transaction

Concurrently with the investment by the March 2025 Note Investors described below under “March 2025 Notes”, the Company entered into an Ordinary Shares Purchase Agreement with Keystone, pursuant to which the Company has the right to sell to Keystone the Keystone Purchase Shares of up to an aggregate of \$50 million of newly issued ordinary shares.

As consideration for Keystone’s commitment to purchase the Keystone Purchase Shares, upon the terms of and subject to satisfaction of the conditions set forth in the Purchase Agreement, the Company issued to Keystone the Keystone Commitment Notes, a commitment note on March 11, 2025, in the 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 matures on December 11, 2025, and November 28, 2025, respectively. The Keystone Commitment Notes are due by way of conversion into ordinary shares based on the closing share price of our ordinary 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 respective issuance dates of the Keystone Commitment Notes. The Keystone Commitment Notes 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) six (6) months following the date of the Keystone Commitment Notes. In the event of a conversion prior to the maturity date, the number of ordinary shares to be issued upon the conversion of the Keystone Commitment Notes 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 Keystone Commitment Notes will be limited to the extent that, upon such conversion, Keystone and its affiliates would not in aggregate beneficially own more than 4.99% of the Company’s outstanding share capital at any time.

In addition, in connection with the 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 Keystone Commitment Notes and the Keystone Purchase Shares.

We do not have a right to commence any sales of ordinary shares to Keystone under the Purchase Agreement until Keystone Commencement Date, upon satisfaction of certain conditions set forth in the Purchase Agreement, including the effectiveness of the registration statement of which this prospectus forms a part. Following the Keystone Commencement Date, the Company will control the timing and amount of any sales of the Keystone Purchase Shares. Actual sales of Keystone Purchase Shares under the 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 Company’s ordinary shares and determinations by the Company as to the appropriate sources of funding for the Company and its operations.

Under the Purchase Agreement, on any business day on which the closing sale price of the Company’s shares is equal to or greater than \$0.50, referred to as the Fixed Purchase Date, the Company may direct Keystone to purchase shares as a Fixed Purchase at a purchase price equal to 95% of the lesser of (i) the daily VWAP of the ordinary 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 at a purchase price equal to 90% of the lesser of (i) the closing sale price of the ordinary 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 ordinary 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 ordinary shares on Nasdaq is 75% of the closing sale price on the date on which the Company directs Keystone to make a VWAP Purchase, 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 ordinary shares 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, 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.

The lead investor'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 Purchase Agreement provides that the Company may not issue or sell any shares under the 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. See "The Keystone Capital Transaction."

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 agreed to loan 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, is required to be repaid in 40 weekly installments over the 10-month term of the loan. The Julestar Note accrues 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. As of the date hereof, the Company did not make any payments and has been unable to obtain the consent of the senior lender.

The Loan Agreement also provides for the issuance of five-year warrants to purchase 530,000 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, as detailed below. The exercise price of the Julestar Warrants is \$5.00 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 with the SEC on a Form F-1 or Form F-3 the shares issuable upon the exercise of the Julestar Warrants.

The net proceeds of the amount we raise in any single subsequent financing or asset sale outside the ordinary course of business of more than \$5.0 million, or multiple subsequent financings or asset sales outside the ordinary course of business of more than \$7.0 million in the aggregate, will be required to be used to prepay the Julestar Note in full. We are entitled to prepay a minimum of \$100,000 of the Julestar Note at any time, with no prepayment penalties, with declining incentives for early prepayment consisting of a decrease in the principal amount and a decrease in the number of shares issuable under the Julestar Warrants. If the Julestar Note is not repaid in full within 90 days, the number of shares issuable under the Julestar Warrants will increase and the exercise price of the additional shares could be set lower, to half the lowest 10-day average market price during the period, subject to a floor price.

While we are currently in default of certain terms under the Loan Agreement with Julestar, we are in discussions with Julestar to restructure our obligations thereunder.

J.J. Astor Financing

On December 30, 2024, we 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 approximately \$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).

We are 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, we will be required to pay a make-whole payment.

One-half of the net proceeds of the amount we raise 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.

We agreed to issue to Astor a five-year warrant to purchase 1,294,118 ordinary shares at an exercise price of \$8.50 per share (the “December 2024 Warrant”), subject to adjust in certain circumstances, including dilutive issuances. We 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. We could be required to pay liquidated damages of up to 10% of the principal amount of the Note if we do not satisfy our obligations under the registration rights agreement on a timely 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 our subsidiaries agreed to guarantee the December 2024 Convertible Note and we and each of our 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 631,570 ordinary shares at \$2.47 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 hereof, the Company paid Astor back \$840,000 of the initial Loan Agreement 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 1,479,153 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 470,000 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 \$5.00. The August 2024 Warrants are exercisable for a period of three years at an exercise price of \$7.143 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 110,000 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 will be 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 164,285 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 \$5.00. The warrants to purchase an aggregate of 164,285 ordinary shares are exercisable for a period of three years at an exercise price of \$7.143 per share. Claymore’s placement fees for the foregoing follow-on investments amounted to \$80,500 in cash, 115,000 ordinary shares and a warrant to purchase 38,333 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 126,250 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 subsidiary, Qpoint Technologies Ltd. (“Qpoint”). If the notes are not repaid by the maturity date, they will be convertible at a conversion price of \$5.00. 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 126,250 ordinary shares are exercisable for a period of three years at an exercise price of \$5.00 per share. Claymore’s placement fees for the foregoing loan amounted to \$88,375 in cash, and a warrant to purchase 126,250 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 209,571 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 \$5.00. The warrants to purchase an aggregate of 209,571 ordinary shares are exercisable for a period of three years at an exercise price of \$7.143 per share. Claymore's placement fees for the foregoing follow-on investments amounted to \$102,690 in cash, 146,700 ordinary shares and a warrant to purchase 48,900 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 12,500 ordinary shares 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 25,000 ordinary shares.

In March 2025, Claymore investors agreed to extend a loan to the Company of \$200,000 with a face value of \$300,000 until it was subsequently repaid in March 2025. Claymore received pre-funded warrant to purchase 15,000 ordinary shares 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 \$1,089,290 in exchange for convertible notes with an aggregate principal amount of \$1,318,041 and warrants to purchase an aggregate of 155,613 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 \$7.00, subject to adjustment in certain circumstances, including dilutive issuances, but no lower than \$5.00. The warrants to purchase an aggregate of 155,613 ordinary shares are exercisable for a period of three years at an exercise price of \$10.00 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 \$76,250 in cash, pre-funded warrant to purchase 367,858 ordinary shares and a warrant to purchase 108,929 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 300,000 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 \$3.00, 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 200,000 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 100,000 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 \$3.00, 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 hereof, Claymore and several investors introduced by Claymore, converted the principal amount of \$6.8 million of the notes issued to them into our ordinary shares, pursuant to which conversions we have issued 1.5 million 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 500,000 ordinary shares at \$3.00 per share, for total proceeds of \$1.5 million. Specifically, 250,000 shares were purchased in July 2025 for \$750,000 and 250,000 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 560,000 ordinary shares (280,000 ordinary shares in July 2025 and 280,000 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.

July 2025 Warrants

In July 2025, we agreed to re-issue warrants to purchase an aggregate of 2,496,087 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 2,333,536 ordinary shares have been issued. The warrants are exercisable for cash at a price of \$8.00 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 \$8.00 per share for ten trading days in a period of 20 consecutive trading days.

March-November 2024 Financing Transaction

In March-November 2024, we sold to an accredited investor (the "March-November 2024 Investor"), in a series of unregistered private transaction, 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 \$5.00. 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 444,444 ordinary shares were exercisable at an exercise price equal to \$7.00 per share until March 12, 2027, (ii) March-November 2024 Warrants exercisable into 400,000 ordinary shares were exercisable at an exercise price equal to \$7.00 per share until April 3, 2027, (iii) March-November 2024 Warrants were exercisable into 100,000 ordinary shares are exercisable at an exercise price equal to \$5.00 per share until June 26, 2027, (iv) March-November 2024 Warrants were exercisable into 200,000 ordinary shares are exercisable at an exercise price equal to \$7.00 per share until June 26, 2027, and (v) March-November 2024 Warrants were exercisable into 150,000 ordinary shares are exercisable at an exercise price equal to \$5.50 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 17.77 (being the NIS equivalent of \$5.00 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 205,555 ordinary shares at an exercise price of \$5.00 per share and a pre-funded warrant exercisable into 1,000,000 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 significant 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 \$3.00 per share, resulting in the issuance of 500,000 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.

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) 3.00 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%.

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) \$25.00 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 \$15.00. 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 Investors Convertible 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 \$10.00 per share and the Company issued to the First 2023-2024 Accredited Investors additional warrants exercisable into 173,881 ordinary shares at an exercise price of \$10.00 per share and 142,020 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 between 0.50 and one ordinary share for each ordinary share issuable to the Investors upon the conversion of the principal amount of the Second 2023-2024 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 \$15.00. 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 Investors Convertible Notes, in whole or in part, at any time following their issuance.

Pursuant to the First 2023-2024 Accredited Investor SPAs, we have issued First 2023-2024 Accredited Investor Warrants which are exercisable into 167,959 ordinary shares. 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 \$23.30. Pursuant to the Second 2023-2024 Accredited Investor SPAs, we have issued Second 2023-2024 Accredited Investor Warrants which are exercisable into 20,000 ordinary shares. The Second 2023-2024 Accredited Investor Warrants are exercisable until September 14, 2025 for an exercise price of \$15.00. 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 Accreditor 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 \$10.00 per share and the Company also issued an additional warrant exercisable into 173,881 ordinary shares at an exercise price of \$10.00 per share. In addition, the Company issued 142,020 ordinary shares to the First 2023-2024 Accreditor 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 \$11.50 per share the Company issued to the Second 2023-2024 Accreditor Investors additional warrants exercisable into 173,881 ordinary shares at an exercise price of \$10.00 per share,, and the conversion price of each of the Second 2023-2024 Accredited Investor Notes was changed to a unified conversion price of \$11.42 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 512,937 ordinary shares, based on an agreed USD/NIS exchange rate of NIS 3.65 and a conversion price of \$9.00 per share. Under this amendment, Akina will receive 389,745 ordinary shares, while Shayna will receive 123,192 ordinary shares. Additionally, warrants have been issued for the purchase of the same number of ordinary shares at an exercise price of \$9.00 per share, with Akina entitled to 389,745 ordinary shares and Shayna entitled to 123,192 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. Upon receiving written notice of such default from Shayna, the Company is required to allocate the outstanding Shayna Loan amounts to Shayna, provided that no judicial injunction is issued within seven days. This allocation will take place upon receipt of a written conversion notice from Shayna.

On May 9, 2024, the Company entered into the third amendment with Shayna and Akina, pursuant to which a cash payment of \$1,150,800 for Shayna’s consulting services under the Convertible Loan Agreements was converted into 127,866 ordinary shares of the Company, calculated at a price of \$9.00 per share, which were later issued in June 2025. Additionally, Shayna was issued a warrant to purchase 127,866 ordinary shares of the Company at an exercise price of \$8.00 per share, with an exercise period of six months, which was exercised in May 2024.

As of the date of this prospectus, Akina has converted the loan under the Convertible Loan Agreements into our ordinary shares, pursuant to which conversions we have issued 512,937 ordinary shares and exercised the warrant and purchased 448,230 ordinary shares of the Company at an exercise price of \$9.00.

In addition, on January 26, 2025, BST, Shayna and Akina entered into a settlement agreement and general release, pursuant to which all outstanding obligations and claims under the Shayna Loan Agreements, as amended, were fully released and discharged. As a result of the settlement agreement, no further claims, demands, or obligations remain outstanding among the parties with respect to these agreements.

Lind Financing

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

The closings of the Transaction (the “Closings and each a “Closing”) occurred in tranches (each a “Tranche”): the Closing of the first Tranche (the “First Closing”) occurred on May 8, 2023 and consisted of the issuance and sale to Lind of a Lind Note with a purchase price of \$6,000,000 a principal amount of \$7,200,000 and the issuance to Lind of Lind Warrants to acquire 245,821 ordinary shares. The purchase price for the initial Lind Note consisted of two separate funding amounts. At the closing the initial funding amount of \$4,500,000 was received by the Company and the funding of the remaining \$1,500,000 (the “Second Funding Amount”) was expected to occur within two (2) Business Days following the filing by the Company of its Annual Report on Form 20-F for the year ended December 31, 2022, under the original conditions of the Lind SPA (see details regarding amendments to the Lind SPA below). The terms of the Lind SPA and related instruments were amended on multiple occasions to reflect changes to funding amounts, warrant coverage, and pricing.

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

As consideration for the amendments to the First Funding Amount in the August 2023 Lind Amendment, we agreed to amend the Lind Note and increase the principal amount of the Lind Note from \$7.2 million to \$9 million. Additionally, we agreed to amend the conversion price of the Lind Note to \$4.50. Further, as consideration for the August 2023 Lind Amendment, we agreed to amend the Lind Warrants and issue to Lind additional warrants to purchase 254,179 of our ordinary shares bringing the total amount of shares that can be purchased under the Lind Warrant to 500,000 ordinary shares. We also agreed to amend the exercise price of the Lind Warrant to \$4.50 per ordinary share.

In connection with the additional \$1 million funding pursuant to the August 2023 Lind Amendment, we agreed issue to Lind a new warrant to purchase 250,000 ordinary shares with an exercise price of \$4.50 per ordinary share and under the same terms and conditions as the Lind Warrant. Finally, in the event that the Registration Statement is filed and we receive the additional \$500,000 funding amount, we agreed to issue to Lind a new warrant to purchase a number of ordinary shares equal to \$500,000 divided by the closing price of our ordinary shares on the date prior to the filing of the Registration Statement, at an exercise price equal to 1.25 multiplied by the average of the daily volume weighted average prices during the five (5) trading days prior to the filing of the Registration Statement, and under the same terms and conditions as the Lind Warrant.

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

As consideration for the amendment to the First Funding Amount in the November 2023 Lind Amendment, we agreed to amend the Lind Note and increase the principal amount of the Lind Note from \$9.0 million to \$9.6 million. Additionally, we agreed to amend the conversion price of the Lind Note from \$4.50 to \$3.50. Further, as consideration for the November 2023 Lind Amendment, we agreed to amend the Lind Warrants and issue to Lind additional warrants to purchase 142,857 of our ordinary shares, bringing the total amount of shares that can be purchased under the Lind Warrants to 892,857 ordinary shares. We also agreed to amend the exercise price of the Lind Warrant from \$4.50 per ordinary share to \$3.50 per ordinary share. Following a price adjustment provisions and anti-dilution protections in the Lind Warrants, the number of shares that can be purchased under the Lind Warrants have been adjusted to 624,999 ordinary shares at \$5.00.

As of the date hereof, Lind has converted the principal amount of \$9.6 million of the Lind Note into our ordinary shares, pursuant to which conversions we have issued 927,119 ordinary shares. Lind has also exercised Lind Warrants using the cashless exercise formula to purchase 360,268 ordinary shares at an exercise price of \$4.00. Only a small number of Lind Warrants remain outstanding.

Dominion

In February 2025, we 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 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 does not bear interest and is repayable by way of conversion into the Company’s ordinary shares on February 20, 2030, subject to earlier conversion by Claymore.

Convertible Notes

Upon the closing of the Business Combination, agreement the Company entered into two convertible notes agreements (collectively, the “Convertible Notes Agreements”) with A.G.P./Alliance Global Partners (“AGP”), the representative of the underwriters in RNER’s IPO and a stockholder of RNER, and another vendor involved in the Business Combination (the “Vendor”). Pursuant to the Convertible Notes Agreements, AGP purchased convertible notes of and from the Company in an aggregate principal amount of \$5,219,319 and the Vendor purchased convertible notes of and from the Company in an aggregate principal amount of \$349,319 (each, a “Convertible Notes”). Each Convertible Notes will bear interest at a rate of 6% per annum, has a maturity date of March 1, 2024 and will be convertible for Company Ordinary Shares at AGP’s or the Vendor’s option, as applicable, at any time prior to the respective Convertible Notes being paid in full. The proceeds from the Convertible Notes Agreements were used to pay expenses in connection with the closing of the Business Combination agreement. The loan from AGP 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. The Company 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.

The Company and AGP entered into an amended and restated note dated as of November 22, 2024 (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 \$4.00 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. As of the date hereof, AGP has effected four of the seven contemplated installments (representing approximately \$1.07 million in the aggregate), and the parties are in discussions about how to resolve the unpaid balance of \$730,000.

BST Loan

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

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

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

As of the date of this prospectus, we made cash advances in an aggregate amount of \$2.662 million to BST under the BST Loan Agreement.

On January 27, 2025, BST became our wholly owned subsidiary. 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.

A-Labs Loan

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

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

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

Qpoint Purchase

On April 3, 2024, we acquired for NIS 25,000,000 in cash the shares of Qpoint that it did not yet own at that time, constituting 53.5% of Qpoint’s outstanding shares. As of the date hereof, we have paid the purchase price in full.

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

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

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

Kyrrex Perpetual KYC Services Agreement

In June 2025, the Company entered into a Perpetual KYC Services Agreement with Kyrrex (the “Kyrrex Agreement”), a Malta-based regulated crypto fiat ecosystem, and an unnamed crypto merchant (collectively, “Kyrrex”). The Kyrrex Agreement, effective July 1, 2025, establishes a two-year initial term with automatic one-year renewals unless terminated with 90 days’ notice.

Under the Kyrrex Agreement, the Company provides Perpetual KYC (PKYC) services consisting of continuous management, monitoring, and verification of customer information to ensure ongoing compliance with Know Your Customer and Anti-Money Laundering regulations. The core PKYC service is priced at \$20 per entity per year, with monthly billing based on entities serviced in the previous month.

Kyrrex may also request optional services including: (i) Horizon Scanning for proactive identification of emerging risks and regulatory changes at \$5,000 per month per geographical area; (ii) Automated Risk Scoring for assessment and assignment of risk scores to entities at \$20 per entity per year; (iii) Additional Fetchers to Data Sources for integration of supplementary external data sources at \$500 per month; and (iv) support for a potential merger between Kyrrex and the crypto merchant, with pricing to be mutually agreed.

The Kyrrex Agreement includes standard commercial terms with Net 30 payment terms, confidentiality obligations, and liability limitations capped at 50% of fees paid. The Company retains all intellectual property rights in its services and technology, and may engage subcontractors as approved by Kyrrex. The Kyrrex Agreement is governed by English law with exclusive jurisdiction in London courts.

BST Collaboration and Merger

In November 2023, the Company began to collaborate with BlackSwan Technology (“BST”) with the goal of becoming a significant player in the secured data fabric industry. Subsequently, in August 2024, we entered into a collaboration agreement with BST formalizing the terms of the collaboration between the parties (the “BST Collaboration Agreement”). The BST Collaboration Agreement was effective as of November 1, 2023 and pursuant to the terms thereof, the Company provided guidance and input regarding the use of technology to integrate BST technology with the Company’s technology. In addition, we agreed to provide advisory services to BST in connection with BST’s performance under specified commercial agreements. Pursuant to the BST Collaboration Agreement, we received all rights to utilize deliverables created under the BST Collaboration Agreement and an irrevocable, perpetual license to access and use any BST background intellectual property created or developed before or after the effective date of the BST Collaboration Agreement for the purposes specified in the Collaboration Agreement. The BST Collaboration Agreement further granted us with the exclusive right available until August 22, 2025 to elect to acquire all of the outstanding share capital of BST or assets of BST.

We subsequently exercised this right and acquired BST on January 27, 2025 as a wholly-owned subsidiary. As a result of the acquisition, the Company issued to BST equityholders 2,965,366 ordinary shares and pre-funded warrants to purchase 664,373 ordinary shares of HUB. 364,972 of the shares issued to the BST equityholders are to be held in escrow for a period of 12 months following the closing date to secure certain indemnification obligations. Following the issuance, we had 69,675,768 ordinary shares outstanding, with the ordinary shares issued as a result of the acquisition constituting approximately 42.56% of HUB’s outstanding ordinary shares and approximately 29.91% of HUB’s share capital on a fully-diluted basis (after giving effect to additional shares issuable pursuant to adjustment mechanisms under existing securities but excluding existing warrants that are significantly out-of-the-money, unvested equity grants, and convertible notes that are 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 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.

Following the acquisition of BST the Company agreed to pay certain outstanding an unpaid salaries and expense and other related employee cost that had been previously accrued by BST in the aggregate about of approximately \$1.2 million.

Business Combination Agreement with RNER

On February 28, 2023 (the “Closing Date”), we consummated the previously announced business combination (the “Business Combination”) pursuant to the Business Combination Agreement, dated March 23, 2022 (the “Business Combination Agreement”), by and among the Company, Mount Rainier Acquisition Corp., a Delaware corporation (“RNER”) and Rover Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub”). Pursuant to the Business Combination Agreement, Merger Sub merged with and into RNER, with RNER surviving the merger. Upon the consummation of the Business Combination on February 28, 2023, RNER became a wholly owned subsidiary of the Company. Prior to the Closing Date, in connection with the closing of the Business Combination, 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 following transactions occurred in connection with the closing of the Business Combination Agreement:

- In February 2023, each unit of RNER (a “RNER Unit”) issued and outstanding immediately 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 \$115.00 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 Company ordinary shares, and each RNER Warrant issued and outstanding immediately prior to the Effective Time converted into the right to receive 0.0899 warrants of the Company (a “New Warrant”), subject to downward adjustment to the nearest whole number in case of fractions of warrants.

A total of 160,438 New Warrants to purchase three-fourths of one ordinary share of the Company were issued to holders of the RNER warrants, of which 5,359 warrants are private warrants and the remaining 155,078 warrants are public warrants. As a result of this conversion and the two reverse share splits each at a ratio of 1:10 that were effected in December 2023 and in March 2025, the exercise price of the New Warrants increased to \$1,280 per each share.

Debt Arrangement with Comsec Creditors

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

- (i) NIS 5.0 million (approximately \$1.3 million) to be paid no later than April 7, 2024
- (ii) NIS 4.328 million (approximately \$1.2 million) to be paid no later than May 15, 2024
- (iii) NIS 4,328 million (approximately \$1.2 million) to be paid no later than July 15, 2024

As of the date of this prospectus, we began to commence appropriate payments pursuant to the Debt Settlement Agreement.

Debt Arrangement with BST Creditors

As part of our ongoing efforts to strengthen our financial position and maintain operational stability, we have begun addressing BST’s outstanding financial obligations. We have initiated payments to financial creditors, including those associated with the BST debt, and are committed to settling these liabilities in a timely and responsible manner.

In parallel, we are actively engaging with our operational vendors to renegotiate payment terms. With several key vendors, we have already reached mutually agreed arrangements, including installment-based payment plans that allow us to manage cash flows more effectively while maintaining strong supplier relationships.

These actions reflect our proactive approach to liability management and working capital optimization. We believe that resolving these obligations and improving our payment terms will support the Company’s long-term sustainability, protect strategic partnerships, and enhance our overall liquidity position.

Material weaknesses in internal control over financial reporting

In connection with the Internal Investigation described in this prospectus and the audit of our consolidated financial statements included in this prospectus, 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, which had not been remedied as of December 31, 2024.

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 (“ITGC”) 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 (v) incomplete segregation of duties in certain types of transactions and processes (excluding monetary transactions, where there is a clear distinction between the preparer and the signer vis-a-vis financial institutions).

During the fourth quarter of 2024, 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, these controls were not in place 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, 2024 due to these material weaknesses. We intend to continue take steps to remediate the material weaknesses described above and further continue re-assessing the design of controls, the testing of controls and modifying processes designed to improve our internal control over financial reporting. We plan to continue to assess our internal controls and procedures and intend to take further action as necessary or appropriate to address any other matters it identifies 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 *“Risks Related to Our Business and Industry - We have identified a material weakness in our internal control over financial reporting. If our remediation of the material weakness is not effective, or we fail to develop and maintain effective internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.”*

Quantitative and Qualitative Disclosures of Market Risk

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

Foreign Currency Exchange Rate Risk

Though HUB operates internationally, its operations are primarily located in Israel and the majority of its expenses are denominated in New Israeli Shekels, or NIS. HUB is subject to fluctuations in foreign currency rates in connection with these arrangements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. HUB qualifies as an "emerging growth company" under the JOBS Act.

HUB is in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," HUB chooses to rely on such exemptions it may not be required to, among other things, (i) provide an auditor's attestation report on its system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of the Business Combination or until HUB is no longer an "emerging growth company," whichever is earlier.

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, 2024. We believe that these accounting policies and estimates are critical in order to fully understand and evaluate our financial condition and results of operations.

We prepare our financial statements in accordance with IFRS as issued by the IASB.

The preparation of financial statements in conformity with IFRS requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of revenues and expenses during the reporting periods and the accounting policies adopted by the Company. Actual results could differ from those estimates.

Recent Accounting Pronouncements

See Note 4 within HUB's audited consolidated financial statements for the years ended December 31, 2024 and 2023 included in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of our 2024 Annual Report.

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.

Overview

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

Data Fabric

Data Fabric is a design concept that supports data sharing in a distributed environment without friction through the use of a unified data management framework. The framework combines data integration, data visualization, and data management technologies. A data fabric enables organizations to bypass data silos, share data across applications, minimize data discrepancies between the data creators and the data consumers, and reduce the cost of reusing data fetched from prepaid sources by other business units. "According to Gartner, organizations that utilize a data fabric to continuously analyze data assets and to support the design, deployment and utilization of diverse data reduce the time required for integration by 30%, deployment by 30%, and maintenance by 70%."

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

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

We are seeking to become a leading provider of secured data fabric solutions with a focus on the financial services market segment. BlackSwan flagship data fabric platform, combined with HUB's security modules and know-how, enables secured, digital transformation from the top down by harnessing the power of data while limiting costs, errors, and inefficiencies.

Traditional Approaches to Cybersecurity

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

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

Confidential Computing

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

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

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

Business Overview

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

HUB’s management team and board of directors includes, amongst others, Noah Hershcoviz (CEO, 15 years of experience), Lior Davidsohn (Interim CFO, nearly 15 years of experience), Nachman Geva (Chief Technology Officer, 25 years of experience), Shai Shiller (Head of Strategy, with over 35 years of experience), Tuvia Grossman (General Counsel and Chief Legal Officer with over 21 years of experience), Shlomo Bibas (32 years of experience), Major-General (Ret.) Uzi Moskovich (Director, former head of the Cyber Communications and Defense Division of the Israel Defense Forces), Ilan Flato (Director, 40 years of experience) and Renah Persofsky (Director, over 40 years of experience).

For the years ended December 31, 2024 and 2023, HUB generated \$29.6 million and \$42.7 million of revenue, respectively. For the year ended December 31, 2024, the revenue HUB generated from each of the geographic markets in which it operates, Israel, Americas, Europe amounted to \$27,808,000, \$698,875, \$1,055,000, respectively. For the year ended December 31, 2023, the revenue HUB generated from each of the geographic markets in which it operates, Israel, Americas, Europe and Asia Pacific, amounted to \$40,364,000, \$334,000, \$1,670,000 and \$290,000, respectively.

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

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

- Focus on continuing the development of data fabric and confidential computing solutions to ensure HUB is able to meet the demands of an evolving and growing market; and
- Achieve rapid growth and market penetration through industry collaborations and mergers and acquisitions that can give HUB access to large clients and integration capabilities, to capture both market share and relevant additional technologies needed.

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

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

Market Opportunity

The Data Fabric Market

The data fabric market is experiencing robust growth, driven by the escalating demand for unified data management solutions across hybrid and multi-cloud environments. As organizations grapple with increasing data complexity, the need for real-time analytics and seamless data integration has become paramount. According to Precedence Research, the global data fabric market size was valued at \$2.1 billion in 2022 and was projected to reach \$8.9 billion by 2032, poised to grow at a CAGR of 15.54% during the forecast period of 2023 to 2032, with North America having the largest market share in 2022 (47%). Furthermore, according to Precedence Research, in 2022, the banking, financial services and insurance sector accounted for 23% of the market share.

This surge in demand is primarily attributed to the rapid digital transformation across various industries, including banking, financial services, insurance (BFSI), retail, healthcare, and telecommunications. Organizations are increasingly adopting data fabric solutions to manage and integrate vast amounts of data from diverse sources, enabling real-time analytics and improved decision-making. The integration of (AI) and machine learning (ML) technologies into data fabric architectures further enhances data processing capabilities, driving market expansion.

North America currently holds the largest market share, owing to the presence of major technology providers and a high rate of adoption among enterprises. However, the Asia-Pacific region is expected to witness fast growth, fueled by government-led digital initiatives, increasing investments in AI and big data analytics, and the rapid expansion of data centers.

We believe the data fabric market is poised for substantial growth as organizations seek to streamline data management processes and leverage advanced analytics capabilities. The ongoing digital transformation across industries and the integration of AI and ML technologies are key factors contributing to the expanding demand for data fabric solutions.

The Increasing Data Proliferation Adds Complexity to Data Management

Data proliferation across enterprises has become one of the defining challenges and opportunities of the digital age. Every interaction, transaction, and operational process generates massive volumes of structured and unstructured data from sources like IoT devices, mobile apps, CRM systems, supply chains, and customer service platforms. As enterprises expand globally and adopt hybrid and multi-cloud infrastructures, their data is increasingly distributed across various locations, platforms, and formats. Managing this growth effectively is critical: organizations must not only store and access their data efficiently, but also integrate, govern, and analyze it in real time to drive business insights and maintain competitive advantage. Without a cohesive strategy to handle this data proliferation, enterprises risk fragmentation, inefficiencies, compliance breaches, and missed opportunities for innovation.

Regulations Create a Shift in Data Management Architecture

The rise of regulatory and data privacy requirements has profoundly reshaped enterprise data management strategies. Regulations such as GDPR, CCPA, DORA, and others mandate that organizations maintain strict control over how personal and sensitive data is collected, stored, processed, and shared. Enterprises are now required to ensure data transparency, user consent management, auditable data trails, and secure cross-border data flows, often under threat of heavy fines and reputational damage for non-compliance. This has led to a shift from traditional, siloed data practices toward centralized governance models and metadata-driven architectures that provide real-time visibility, classification, and control over data assets. Enterprises must embed privacy by design into their data management processes, implement robust encryption and access controls, and ensure that every data interaction across hybrid and multi-cloud environments meets evolving global compliance standards.

Digital Transformation for Core Banking Systems

Using data fabric to streamline digital transformation for core banking systems is a strategic approach that enables banks to efficiently manage, integrate, and analyze vast amounts of data from diverse sources, accelerating their transition into the digital era. Data fabric technology provides a unified and intelligent data architecture that seamlessly connects data across on-premise, hybrid, and multi-cloud environments, breaking down traditional silos. For core banking systems, this means enabling real-time access to critical financial data, improving operational efficiency, and enhancing decision-making capabilities.

As core banking systems evolve to support new digital services and products, data fabric can play a crucial role by simplifying data integration across various banking applications, legacy systems, and emerging technologies. It allows for the continuous flow of data between different platforms, ensuring consistency, security, and accuracy. With AI and machine learning embedded in data fabric solutions, banks can unlock deeper insights from their data, improving customer experiences, optimizing loan underwriting processes, detecting fraud more effectively, and personalizing banking services. Moreover, the ability to access and process data in real time helps banks respond faster to market changes and regulatory requirements, ensuring they stay competitive in a rapidly evolving financial landscape.

By implementing data fabric, banks can modernize their core banking systems without the need for complete overhauls. The integration of disparate data sources and the automation of data management processes significantly reduces the complexity of digital transformation. This approach not only supports enhanced operational efficiency but also accelerates innovation, enabling banks to launch new products and services that meet the demands of digitally-savvy customers while ensuring compliance with evolving regulations. Ultimately, data fabric enables core banking systems to become more agile, scalable, and capable of meeting the future demands of the financial services industry.

The global core banking software market is experiencing significant growth, driven by the increasing demand for digital transformation and modernization in the banking sector. According to Fortune Business Insights, in 2024, the global core banking software market was valued at approximately \$16.79 billion and is projected to expand to \$64.96 billion by 2032, reflecting a compound annual growth rate (CAGR) of 18.6%. Precedence Research estimates the global core banking market size at \$12.51 billion in 2024, with expectations to reach approximately \$33.10 billion by 2034, growing at a CAGR of 10.22%.

This surge in demand is primarily attributed to the rapid digital transformation across various banking institutions, including retail banks, credit unions, and digital-first fintech companies. Core banking solutions are increasingly being adopted to streamline operations, enhance customer experiences, and support the integration of emerging technologies such as artificial intelligence, machine learning, and blockchain. Additionally, the shift towards cloud-based platforms is enabling banks to achieve greater scalability, flexibility, and cost efficiency in their operations.

We believe our secured data fabric (“SDF”) technology, together with our project and security savvy professional services teams, and our strategic partnerships with complimentary products, can enable digital transformation for medium to large banks and other financial services companies who seek to boost their digital offering and outreach to stay compliant and competitive in the market.

Ever Growing Demand for Cybersecurity Consulting Services

The cybersecurity market continues to grow due to increased risks of breach and regulatory pressure. New or enhanced regulations like the NIS2 directive, privacy regulations like the GDPR and the newly enacted SEC disclosure rules that will require companies to disclose cyber incidents are expected to drive growth to bigger heights. According to Fortune Business Insights, the global cybersecurity market was valued at \$193 billion in 2024 and is projected to reach \$562 billion in 2032.

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

Demand for Effective Cybersecurity Solutions

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

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

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

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

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

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

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

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

In particular, HUB believes that there are two mega markets - edge computing and 5G, with a combined value of over \$517 billion as of 2023 according to KPMG, that urgently require more effective cybersecurity protections. According to IDC, worldwide spending on edge computing is expected to reach \$261 billion in 2025, an increase of 13.8% over 2024. Enterprise and service provider spending on hardware, software and services for edge solutions is forecasted to sustain this pace of growth through 2027, by when the spending is expected to reach nearly \$350 billion. In addition, according to Gartner, 50% of data will be generated outside a traditional centralized data center or cloud through 2027. According to Markets and Markets, the global edge computing market is expected to grow from \$53.6 billion in 2023 to \$111.3 billion by 2028, growing at a CAGR of 15.7% from 2023 to 2028. On the other hand, according to Statista, the AI market reached \$305.9 billion in 2024 and is expected to show a CAGR of 15.83% between 2025 and 2030, resulting in a market volume of \$738.8 billion by 2030. Gartner believes that in 2025, approximately half of the large organizations will implement privacy enhancing computation to process data in untrusted environments as well as implement multiparty data analytics solutions.

The Confidential Computing Market

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

With a projected market size of \$59.4 billion by 2028 according to MarketsandMarkets, the long-term growth prospects for confidential computing are robust. In addition, it is estimated the average data breach costs to enterprises have escalated to \$4.88 million in 2024.

According to the MarketsandMarkets, although adoption of confidential computing is nascent, its potential is tremendous for both the enterprises that are adopting it and the technology and service providers that are enabling it.

Technology Background

How Data Works in a Network

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

- **At rest** (stored in a memory) - packets at rest may include data that is stored in a mass storage system such as on the ‘cloud’ or in the network’s own random access memory (“RAM”) or storage drives.
- **In transit** (moving from component to component within a network) - data has been loaded into packets for sending into or out of a network or for moving between components inside a network. Code or data in packets are typically encrypted when in transit or at rest so that even if the packet is captured and sent out of the network, its data remains unreadable.
- **In use** (being worked on by a processor) - data is being processed by a CPU, GPU or other processor that run programs, algorithms, application programming interface (“APIs”) or applications. Data in use is generally decrypted, and this decrypted data is a primary target of cyber-attackers.

Protecting Data in Use

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

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

HUB’s Confidential Computing Solution

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

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

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

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

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

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

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

Permission and Governance Policy Engine

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

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

Cryptographic Engine

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

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

Advantages of HUB's Confidential Computing Solution

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

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

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

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

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

- Protects each networked component separately, so the component's cybersecurity is independent of the security of the rest of the network and mitigates targeted risks and threats.
- Checks packets both as they enter and as they leave the device so sensitive data is stopped before it can be hijacked out of the network.
- Checks packets and then restores them to their original state so legacy programs need not be adjusted to accommodate changed packet structures.
- Evaluates packets proximate to the component's processor and in-line with the stream of packets into the device so there is no slowing of throughput speed.
- Detects physical tampering with a component's works and erases data if tampering is detected before the data can be hijacked out of the component.
- Stores administration interfaces, access controls and user management policies in a separate and secure area that is not accessed by the CPU.
- Uses software that can be updated remotely and on the fly without risk of unauthorized alteration to the software.

HUB's Offerings

HUB's Products Division:

Secured Data Fabric:

A secured data fabric is a foundational capability for any organization operating with large volumes of sensitive or regulated data. As enterprises grow, so does the complexity of their data landscape and distributed sources, growing regulatory requirements, and increased attack surfaces all contribute to rising costs and risks.

Traditional data architectures typically rely on centralizing all information into heavy, monolithic data lakes. This approach often incurs significant capital expenditures and high ongoing operational costs, particularly in highly regulated environments. Furthermore, these centralized systems introduce multiple points of vulnerability, increasing the likelihood of data breaches and the accompanying financial and reputational damages.

The HUB approach, combined with the Blackswan solution, offers a radically more efficient and secure alternative. This architecture minimizes the need for a heavyweight data lake and almost entirely eliminates the cost and complexity of traditional ETL (Extract, Transform, Load) processes. By allowing data to remain closer to its source and enabling just-in-time access through a mesh of connected nodes, the system reduces infrastructure load and avoids unnecessary data duplication.

Beyond efficiency, security is core to this fabric. Traditional security methods often struggle with scale and context, treating all data equally without understanding its value, structure, or sensitivity. In contrast, our approach builds security into the fabric itself.

Blackswan's technology integrates with our secured data fabric via lightweight, standards-based connectors deployed at each data node. Upon every data access or transfer, Blackswan automatically encrypts information in transit and at rest, enforces the centralized access and anonymization policies defined in the fabric's control plane, and records a tamper-evident audit trail. This seamless integration supports continuous, real-time compliance monitoring and threat detection without the need for additional security appliances or manual intervention, ensuring uniform governance and regulatory adherence across our entire distributed data environment.

The combined technologies create a strong and attractive offering and we are currently focused on deployment of our data fabric solution for the financial services sector providing the following key features:

Financial Services Compliance

Know Your Customer (KYC) including Customer Due Diligence (CDD) and Enhance Due Diligence (EDD). Customer Due Diligence (CDD) is the standard process that financial institutions, FinTechs, and regulated businesses follow to verify the identity of their customers and assess the risk they pose. It is a core requirement under global Anti-Money Laundering (AML) regulations (like the FATF Recommendations, EU AML Directives, BSA/AML laws in the U.S.). Enhanced Due Diligence (EDD) is a deeper, more rigorous version of CDD, applied only to high-risk customers or transactions.

HUB SDF brings added value and capabilities to its customers, extending the process to a worldwide collection and fusion of data from hundreds of web sources, in real time, curating and enriching the data, with a fully automated process that follows the customer policies and workflows for each jurisdiction and market it is operating in. The result is a comprehensive KYC report with real time compliance data, with full audit trail and collection evidence presented to the end user in a rich visual dashboard, simplifying complex data structures, highlighting any critical information and insights that is easy to act on if needed.

Perpetual KYC is an advanced add-on to our existing KYC framework, designed to achieve full automation of regular customer reviews. Instead of relying on periodic, manual re-assessments, the system continuously monitors customer profiles against dynamic data sources in real time. User intervention is only triggered when there is a material change in the customer's risk profile, such as updated sanctions status, adverse media, or significant behavioral deviations. This proactive, event-driven approach not only enhances regulatory compliance and risk management but also significantly reduces operational burden and improves the customer experience by minimizing unnecessary touchpoints. Real time name screening against a large set of sanction lists, PEP, adverse media and internal lists. This can also integrate with external screening engines and provide additional benefits on top, with AI detection of false-positive alerts and automation of EDR handling

Financial Risk Scoring: Customizable Risk Rule Policies Along with AI Engine

Financial risk scoring is a critical aspect of risk management in the financial sector, particularly for banks and financial institutions that need to assess the risk level of transactions, customers, and investments. The process involves evaluating various factors to determine the potential risk exposure and predict the likelihood of adverse financial outcomes, including (a) Pre-Defined Risk Rule Policies - standardized rules and criteria established by regulatory bodies, risk management frameworks, or internal organizational guidelines that define what constitutes a "risky" behavior or transaction, (b) Customizable Risk Rule Policies - flexible rules that allow institutions to modify the risk parameters based on the unique characteristics of their customers, products, or market conditions. The customization of these policies ensures that the risk scoring system aligns with the institution's risk tolerance and the regulatory environment, and (c) AI Engine - the integration AI enhances the efficiency and accuracy of risk scoring by processing large volumes of data and identifying patterns that might not be immediately apparent. Continuous Learning also improve the risk model over time by learning from new data, meaning they adapt and become more precise in detecting emerging risks.

HUB's risk scoring engine combines Pre-defined Rules and AI. The combination of pre-defined yet customizable risk rule policies with AI engines allows for a hybrid approach that balances the structure of established risk management guidelines with the adaptability and predictive power of AI. This approach enables financial institutions to (a) Improve Accuracy: AI adds a layer of intelligence that helps validate or refine risk assessments made by rule-based systems, (b) Streamline Operations: Automation of risk scoring processes reduces the time and effort required for manual review, especially when it comes to high volumes of transactions, (c) Enhance Regulatory Compliance: The system can be fine-tuned to comply with specific regulatory frameworks while incorporating AI's ability to adapt to changing legal and financial landscapes, and (d) Reduce False Positives: By learning from historical data, AI can help reduce the number of false alerts, making the risk scoring process more efficient and actionable.

Transaction Monitoring: Track and Analyze Financial Transactions in Near Real-Time

Transaction monitoring is a vital component of risk management within financial institutions, focusing on tracking and analyzing financial transactions to detect suspicious, unusual, or high-risk activities. This process can occur either in real-time or after the transaction has been processed, allowing institutions to continuously assess the legitimacy of financial movements. Through sophisticated monitoring systems, these institutions can identify patterns that deviate from normal transaction behavior, such as large, rapid withdrawals, transactions to high-risk countries, or frequent transfers that do not align with a customer's profile. These anomalies are often indicative of potential financial crimes or regulatory violations, requiring immediate investigation.

Particularly in the context of AML and Counter-Terrorism Financing (CTF), transaction monitoring plays an essential role in identifying and preventing illicit activities. Money laundering schemes often involve complex layers of transactions designed to obscure the origin of illegal funds, while terrorist organizations may attempt to move funds covertly to finance their operations. By applying advanced algorithms and AI-driven techniques, financial institutions can detect these covert activities, even when attempts are made to disguise them. Real-time monitoring systems, coupled with historical transaction analysis, help ensure that institutions remain compliant with legal obligations, preventing the misuse of their financial services for illegal purposes.

HUB offers a comprehensive transaction monitoring solution through its SDF platform, designed to address the complexities of AML and CTF compliance. This solution integrates traditional rule-based monitoring with advanced AI techniques, including machine learning, knowledge graphs, and natural language processing. By leveraging these technologies, we enhance the detection of suspicious activities, reduce false positives, and improve the efficiency of compliance processes.

A key feature of HUB's transaction monitoring is its relationship-based and behavior-based monitoring capabilities. The relationship-based monitoring utilizes knowledge graph link analysis to uncover complex networks of entities, such as shell companies, which may facilitate money laundering activities. This approach allows for the detection of intricate financial networks that traditional systems might overlook. The behavior-based monitoring, on the other hand, identifies patterns of activity that deviate from established norms, enabling the system to flag potentially illicit transactions even when they do not match predefined rules.

Additionally, HUB integrates with external, third party providers of financial crime data, to enhance its compliance solution. This collaboration integrates comprehensive financial crime data into HUB SDF platform, further strengthening its ability to assess customer risk and detect financial crimes. The platform's modular design allows for seamless integration with existing systems, providing financial institutions with a scalable and adaptable solution.

From Real Time Transaction Monitoring to Fraud Detection

Fraud detection involves analyzing and evaluating financial transactions in real-time to identify and prevent fraudulent activities before they are completed. This process relies on advanced algorithms and machine learning techniques that assess various factors such as transaction patterns, user behavior, and external data sources to spot anomalies or suspicious actions. By monitoring transactions as they occur, financial institutions can immediately flag potentially fraudulent activities, such as unauthorized account access, unusual spending patterns, or identity theft. Early detection is crucial in minimizing the impact of fraud, enabling quick intervention to halt transactions before they are finalized, thereby protecting both customers and the institution from financial losses and reputational damage.

Driven by market demand, HUB SDF is extending its transaction monitoring solution into a robust fraud detection system, by enhancing the monitoring capabilities to not only identify suspicious or high-risk transactions but also to detect fraud in real time as transactions occur. By integrating Hub SDF Knowledge Graph module and its advanced machine learning and AI technologies, the system can be adapted to analyze transaction data more dynamically, enabling it to assess risk factors such as user behavior patterns, transaction velocity, location anomalies, and device fingerprints. This allows for a deeper understanding of transactional activities and the detection of irregularities that may indicate fraudulent behavior, even before the transaction is completed. Additionally, incorporating real-time monitoring and decision-making processes enables the system to immediately flag and halt potentially fraudulent transactions, preventing financial losses. By refining the system to focus on immediate intervention while leveraging customizable fraud detection models, financial institutions can create a more proactive approach, evolving from traditional risk-based monitoring into a real-time fraud prevention solution that continuously adapts to emerging threats.

Crypto Compliance: Supporting the Rapidly Evolving Cryptocurrency Industry

Hub Security has identified a significant new wave of demand for its advanced compliance and Know Your Customer (KYC) solutions within the rapidly evolving cryptocurrency industry. As the digital asset market matures and faces increasing regulatory oversight, there is a critical and unmet need for institutional-quality security and verification infrastructure. To lead our strategic expansion into this sector, we are pleased to announce the appointment of a top-tier executive with extensive experience from a leading Layer 1 blockchain protocol. This individual will play a key role in managing the development of a customized product suite designed to address the specific and complex compliance challenges of the global crypto market, ensuring our clients can operate with the highest levels of integrity and security.

In a pivotal move to accelerate this initiative and strengthen our market position, we have finalized a strategic agreement with Kyrrex, a leading digital asset and crypto services platform. This partnership is a key part of our broader vision for a strategic merger involving Kyrrex, and a leading Payment company, aiming to create a fully integrated and comprehensive financial ecosystem. Our joint product roadmap will develop in phases over the next 24 months, starting with the integration of our core infrastructures. This collaboration will combine Hub's top compliance and security technologies with Kyrrex's extensive expertise in the crypto market to deliver a platform that sets a new standard for secure and compliant digital asset management.

Horizon scanning: Staying Ahead of Regulatory Changes and Trends

Horizon scanning is a systematic process used by financial institutions to identify, monitor, and analyze upcoming or evolving regulatory changes that could have an impact on their operations. It involves the proactive identification of trends, shifts in the regulatory landscape, and emerging regulatory challenges that may affect business operations, compliance frameworks, and risk management strategies. This process is essential for staying ahead of regulatory developments and ensuring that organizations are not only compliant with current regulations but also prepared for any future legal or regulatory requirements. Financial institutions, such as banks, fintechs, insurers, and even regulators themselves, use horizon scanning to gain insights into upcoming regulations or amendments that could influence their strategies, risk appetite, or business models.

As part of a proactive compliance strategy, Hub's horizon scanning allows organizations to anticipate and prepare for changes in regulatory obligations before they come into effect. By monitoring developments in regulatory bodies, industry trends, and geopolitical shifts, institutions can make informed decisions about necessary adjustments to their operations. This might include altering internal policies, implementing new technology solutions, or enhancing employee training to ensure continued compliance. Moreover, horizon scanning can help financial institutions identify potential risks early on, reducing the likelihood of non-compliance penalties and fostering a culture of proactive risk management. By embracing horizon scanning, financial institutions can not only stay ahead of evolving regulations but also maintain a competitive edge by adapting to regulatory changes with agility and foresight.

Digital Transformation of Banking Systems Compounding Operational and Compliance Needs

The need for core banking systems to be fully integrated with compliance solutions has become increasingly critical for banks in today's regulatory landscape. As financial institutions face complex and evolving regulatory requirements, integrating compliance features directly into core banking platforms ensures that all transactions, customer data, and financial activities are automatically monitored and aligned with compliance standards. This integration enables real-time detection of suspicious activities, such as money laundering or fraud, and ensures that banks can generate accurate reports for regulatory bodies without manual intervention. Additionally, by embedding compliance workflows into the core banking system, banks can reduce operational inefficiencies, minimize the risk of non-compliance penalties, and ensure a more streamlined, proactive approach to risk management. This unified framework not only helps banks stay compliant with local and global regulations but also enhances overall operational agility, security, and customer trust.

HUB is offering small and medium banks, as well as other financial services companies such as digital payment services, a holistic approach for digital transformation of core banking and financial systems encompassing HUB's data fabric technology fully integrated with the HUB's financial compliance solution and partners' core banking and digital banking applications. The solution can be delivered on-cloud, on-premise, or as a hybrid solution.

Confidential Computing:

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

HUB Vault

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

HUB PCIe Card

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

HUB Guard

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

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



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

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

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

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

Paid Proof of Concept, Pilots & Pipelines

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

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

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

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

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

HUB's Professional Services Division:

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

Comsec

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

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

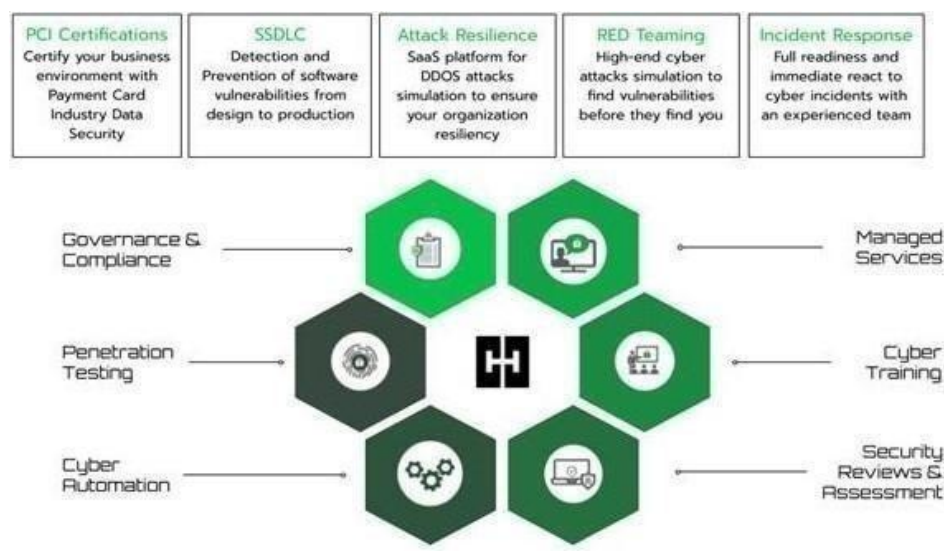
The application security offerings help organizations assess their risk and vulnerabilities in their application landscape. The services provided are aligned with the Secure Development Lifecycle ("SDLC") methodology and helps clients and their development departments with assessing risk (testing and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

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

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

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

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



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

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

Comsec Competition and Competitive market

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

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

ALD

RAMS - Reliability Products and Services

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

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

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

ALD Software

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

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

RAM Commander:

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

Safety Commander:

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

FavoWeb:

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

ALD College

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

Outsourcing

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

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

QPoint

QPoint provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 145 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

HUB’s Strategies

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

The essential elements of HUB's strategies include:

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

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

- **Extending HUB's global go-to-market reach.** HUB sells its solutions through a high-touch hybrid model that includes direct and indirect sales. HUB plans to expand its sales reach by adding new direct sales capacity, expanding its indirect channels by deepening its relationships with existing partners and by adding new value-added resellers, system integrators, managed security service providers and partners. HUB is also expanding its routes to market.
- **Expanding HUB's relationships with existing customers.** As of December 31, 2024, HUB had hundreds of customers, primarily through its professional services division. HUB has worked hard to develop strong relationships with its customers, and its strategy includes its sales and distribution division expanding these relationships by growing the number of users who access HUB's solutions and cross-selling HUB's product solutions. HUB's marketing strategy is focused on building awareness and consideration of its broad range of cybersecurity solutions and developing new qualified leads; while increasing sales to existing customers.
- **Driving strong adoption of HUB's solution and retaining HUB's customer base.** HUB plans to deliver high levels of customer service and support and continue to invest in its professional services division to help ensure that its customers are up and running quickly and derive benefit from HUB's products, which HUB believe will result in higher customer retention rates.
- **Attracting, developing and retaining a diverse and inclusive employee base.** A key pillar of HUB's growth strategy is attracting, developing and retaining its employees. HUB's people are one of HUB's most valuable assets, and its culture is a key business differentiator for HUB. HUB values diversity and inclusion, which allows for the exchange of ideas, creates a strong community and helps ensure its employees are valued and respected.

HUB's Operations

Strategic Acquisitions

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

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

- Established customer base, preferably with long term relationships and preferably with a significant US presence.
- Supplying products and/or providing services to government agencies and enterprises that can benefit from confidential computing and data fabric and that have revenues and are growing.
- In-house teams with experiences and know-how of working with customers with a good understanding of customers' needs and operations as customers' trusted advisor.
- A set of professional services with the potential to be transformed into products, so that revenues can be increased dramatically through upselling HUB's products and expanding the product offering generally.
- Having intellectual property rights in the area of AI, Gen AI, Knowledge graph and Data.

ALD

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

In 2024 and 2023, ALD had sales of \$4,625,000 and \$15,512,000 (respectively). ALD's customers include those in the aerospace, defense, government and transportation industries.

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

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

ALD Products

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

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

RAM Commander

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

Safety Commander

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

FavoWeb

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

Comsec

In November 2021, the Company completed the acquisition of Comsec Ltd. and its Subsidiaries, Comsec Distribution Ltd. (“Distribution”). However, during 2023, Distribution, had financial, operational and commercial difficulties, cessation of sales starting July 2023, layoffs and departures of employees so that as of December 31, 2023 there were no business activities in Distribution. In addition, in 2024 Distribution had no commercial activities.

In 2024 and 2023, Comsec had sales of \$5,189,000 and \$6,800,000 (respectively). Most of Comsec’s customers are large enterprises, militaries and government agencies, and Comsec has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.

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

Qpoint

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

QPoint Technologies provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 145 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

In 2024 and 2023, QPoint Group had sales of \$20,191,000 and \$26,900,000 (respectively). Most of QPoints’s customers are large enterprises, militaries and government agencies, and QPoint has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.

BST

In November 2023, HUB began to collaborate with BST with the goal to become a significant player in the secured data fabric industry. On January 15, 2025, HUB 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 HUB. As a result of the merger, BST and its subsidiaries became subsidiaries of HUB and certain of the equity holders of BST became shareholders of HUB. We believe that the acquisition of BST, with full technology integration together with HUB, will solidify our position as a leading provider of secured data fabric solutions, offering a critical safeguard for banks, financial institutions and other industries navigating an increasingly complex regulatory and cybersecurity environment.

Operating Structure

HUB believes that in addition to developing superior technology, a successful technology company must also maintain a disciplined sales and distribution force, alongside an experienced, customer-oriented professional services group. In particular, the sales force must bring established relationships with customers' IT procurement departments, while professional services consultants must possess extensive experience in tailoring systems to meet the individual needs of clients and provide outstanding long-term support to stay ahead of evolving security threats.

Through a combination of organic growth and strategic acquisitions, including the recent acquisition of BlackSwan Technologies, HUB has further strengthened its operational capabilities. This strategic move has enhanced our AI and data analytics expertise, expanded our customer base, and deepened our domain-specific offerings in security and intelligence. Together, these three synergetic operating structures-Technology, Sales & Distribution, and Professional Services-form the backbone of our ability to solve complex client needs and bring our products and solutions to market efficiently and at scale.

1. Technology and Product Division

- HUB's technology development team is in charge of research and development of HUB's Products solutions. The current focus on HUB's technology development organization is to continuously advance HUB's technology products solutions.
- HUB's product solutions are marketed and licensed on a direct basis to banks, financial services, government agencies, defense organizations, research institutions and large enterprises.

As of December 31, 2024, HUB's Technology and Product Division team had 21 employees.

2. Management, Sales, and Distribution

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

As of December 31, 2024, HUB's Management, Sales, and Distribution teams had 20 employees.

3. Professional Services Division

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

- a) ALD is in charge of providing quality control in complex engineering projects and ensuring smooth and reliable execution in mission critical processes.
- b) Comsec provides cyber risk assessment, risk mitigation and cyber incident response services to customers worldwide. Comsec customers are large enterprises, militaries and government agencies, and Comsec has deep and long-term connections with the IT procurement departments in those organizations and is recognized by them as an approved provider.
- c) QPoint Technologies provides a variety of tech solutions and services, including software development and testing, cybersecurity, information systems, consulting, and training. Their team of over 145 engineers brings advanced technological expertise to the table, offering readily available and professional solutions to leading Israeli companies and organizations.

As of December 31, 2024, HUB's professional services division had 274 employees.

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

Target Markets

HUB's primary target markets are medium to large entities that need to manage and handle diverse or sensitive data, or in a highly regulated industry. These include, but are not limited to:

- Financial institutions - these include banks, payment providers, brokerage houses and insurance companies that need to manage and take advantage of data explosion, or require high speed processing, remote access and very high levels of compliance and security.
- Governmental institutions - both government agencies and militaries are expected to have significant demand for HUB's solution in order to process, store and encrypt/decrypt highly sensitive data.
- Healthcare institutions - HUB anticipates that early adopters of its technology in this industry will be hospital chains, life science research institutions and pharmaceutical companies that process enormous data sets and face strict regulatory requirements for data security and data management.
- Large, regulated enterprises and industries that are required by regulators to handle data in a responsible manner, such as ESG requirements.

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

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.

Secured Data Fabric Competitive Landscape

The data fabric market is rapidly evolving, with major players including Informatica, IBM, Oracle, Microsoft, Talend, Snowflake, and others offering a variety of solutions across integrated data platforms, cloud-native architectures, and data virtualization technologies. Established technology giants like IBM and Oracle leverage their deep expertise, broad tool portfolios, and strong industry presence, while newer entrants like Snowflake and Denodo emphasize cloud-native flexibility and real-time analytics. Companies like SAP and Palantir focus on niche strengths such as security and entity-based data organization. Open-source alternatives, such as Apache Atlas and Airflow, also pose a competitive threat by offering cost-effective and customizable solutions. However, the crowded field and overlapping capabilities create a highly competitive environment where innovation, integration, and scalability are key differentiators.

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, for example, endpoint, network and cloud security, vulnerability management and identity and access management. Organizations continually evaluate their security priorities and investments and may allocate their cybersecurity budgets to other solutions and strategies and may not adopt or expand use of HUB's solution. Accordingly, HUB may also compete for budgetary reasons, to a certain extent, with additional vendors that offer threat protection solutions in adjacent or complementary markets to HUB's.

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

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

As of December 31, 2024, we owned six registered patents in the United States, as well as one U.S. patent application, which was recently allowed. In addition, HUB owns and uses trademarks and service marks on or in connection with its proprietary solution, including both unregistered common law marks and issued trademark registrations. Finally, HUB has registered domain names for websites that it uses in its business, such as <https://hubsecurity.com/>.

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

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

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

Government Regulation and Compliance

Data Protection Laws and Regulations

HUB is subject to various federal, state, and international laws and regulations that affect companies conducting business on digital platforms, including those relating to privacy, data protection, the Internet, mobile applications, content, advertising and marketing activities. New and evolving laws and regulations, and changes in their enforcement and interpretation, may require changes to HUB's technology, solutions, or business practices, which may significantly limit the ways in which HUB collects and processes data of individuals, communicate with users, serve advertisements and generally operate HUB's business. This may increase HUB's compliance costs and otherwise adversely affect HUB's business and results of operations. As HUB's business expands to include additional solutions and industries, 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 Act, or CPRA, which took effect on January 1, 2023 and created obligations with respect to certain data relating to consumers, significantly expanded the CCPA, including by introducing additional obligations such as data minimization and storage limitations, granting additional rights to consumers, such as correction of personal information and additional opt-out rights, and created a new entity, the California Privacy Protection Agency, to implement and enforce the law. Similar laws coming into effect in U.S. states, adoption of a comprehensive U.S. federal data privacy law, and new legislation in international jurisdictions may continue to change the data protection landscape globally and could result in us expending considerable resources to meet these requirements.

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

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

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

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

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

Cybersecurity

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

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

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.

Human Capital Resources

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

Through multiple growth phases, HUB has drawn talent and leadership from the technology and cybersecurity industries to achieve its vision. As of December 31, 2024, HUB had approximately 322 overall group’s employees and full-time employee equivalents worldwide, across 3 offices in 2 countries, including employees of all of HUB’s wholly owned subsidiaries. As of December 31, 2024, HUB had 41 employees.

None of our employees are represented by a labor union, and HUB considers its employee relations to be in good standing. To date, HUB has not experienced any work stoppages.

Legal Proceedings

From time to time, we are and may be subject to various legal proceedings, contingencies and claims that arise in the course of business, including some claims from current or former employees and directors, as well as governmental and other regulatory investigations and proceedings.

There is no pending litigation or proceeding against any of HUB's office holders as to which indemnification is currently being sought, and, except as described below, HUB is not aware of any pending or threatened litigation, the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition or may result in claims for indemnification by any office holder. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

The below is a summary of the litigation and other proceedings we are currently facing:

1. Insurance reimbursement claim. In May 2018, a company named Rotem filed in the District Court in Tel Aviv an insurance reimbursement claim against the Company and approximately 15 other defendants with respect to damages caused by a fire in the plaintiff's factory. The Company believes that its liability with regards to this claim seems remote and possesses insurance coverage to cover any liabilities that may arise from this case.
2. Contract Tender Litigation. On March 29, 2022, two plaintiffs petitioned the District Court in Tel Aviv for certification of a class of plaintiffs in a class action suit against the Company and seven individuals serving as its officers and directors as of such date. The request for certification is based on a delay in HUB's making a public announcement of the cancellation of a contract tender whose award to HUB had been previously announced. The canceled contract represented revenue to HUB of NIS 800,000 (approximately \$250,000) per year, and HUB's previous announcement stated that the contract tender would have a material effect on its 2022 financial results. HUB was notified of the cancellation of the award of the tender on the afternoon of Wednesday, March 23, 2022, which was the same day that HUB announced its execution of the Business Combination Agreement. HUB reported the cancellation of the award on Sunday, March 27, 2022. The applicable rules of the Tel Aviv Stock Exchange (TASE) and the Israel Securities Authority require announcements of this kind to be made not later than the trading day following a company's receipt of the relevant information. Friday is not a trading day on the TASE, so HUB's report can be said to have been made one day late. The price of HUB's ordinary shares on the TASE fell by approximately 35% on March 27, 2022.

The plaintiff's request to the Court cites total damages of NIS 229 million (approximately \$70 million). On October 20, 2022, the amount claimed was reduced from NIS 5.44 million (approximately \$1.48 million).

On January 30, 2023, the amount requested was increased to NIS 64 million. On February 2, 2023, a partial judgment was issued in which the motion to withdraw against the directors was approved, leaving the motion pending against the Company and its former Chief Executive Officer only. The answer to the amended approval request was submitted on September 3, 2023, and the response by the plaintiffs was submitted on October 22, 2023.

Though the Company believes that the request for certification on this claim will be denied by the Court, and that it has strong defenses to any class action that may ultimately be allowed to proceed, there can be no assurance that the Court will not find the Company liable for significantly greater amounts. At this stage of the proceedings, it is not possible to assess the chances of the application being accepted or rejected in part or in full. A finding of significant liability against us could negatively affect our share price and have a material effect on our business and financial condition. The hearings were conducted on May 22-23, 2024, and at the Court's suggestions a mediator was appointed on June 16, 2024 in order to attempt to reach a settlement between the parties. On September 3, 2024, the parties notified the Court the mediation attempt had failed. After the parties filed their respective summaries, a supplementary hearing was held before the Court on May 18, 2025. At the conclusion of the supplementary hearing, the parties agreed to once again pursue mediation, but on August 4, 2025, the parties informed the Court that the mediation proceedings had not result in a settlement agreement. The parties are currently awaiting the Court's ruling on the certification motion.

3. Motion for discovery according to Section 198A of the Companies Law — On February 8, 2023, Mr. Yuval Lev filed a motion for discovery according to Section 198a of the Companies Law (as a preliminary proceeding prior to submitting a Motion to Certify a Claim as a Derivative Action) (the “Discovery Motion”) against the Company in the Tel Aviv-Jaffa District Court. The Discovery Motion focused on the claim regarding the release of the Clover Wolf Capital from the PIPE investment that had been expected to close concurrently with the consummation of the Business Combination Agreement in February 2023 (the “PIPE Financing”), in light of the Company’s report on this matter dated February 2, 2023. The Discovery Motion, as amended, also includes allegations regarding the A-Labs investment firm, the fact that the contemplated PIPE funds have not been disbursed to the Company, a private company that held a significant stake in the Company and entered into a voting agreement with other shareholders of the Company (allegedly forming a control group in the Company), and that among the investors in the Company is a private company acting as the Company’s investment banker, one of whose shareholders and managers serves as a director and chief executive officer of the Company. According to the Discovery Motion, the Company’s alleged actions demonstrate a breach of the duties of care and loyalty imposed on the officers and the directors of the Company under the Companies Law, as well as an alleged basis for pursuing legal action against third parties.

The Company is required to file its response to the Discovery Motion by October 26, 2025. A hearing has been scheduled for December 22, 2025, but it is expected to be postponed due to a conflicting hearing.

4. PIPE Financing Litigation – On March 6, 2023, Mr. Maj’haj Avner filed a class action certification motion (the “Motion to Certify”) against the Company and eight additional respondents in the District Court in Tel Aviv, alleging that the Company’s public announcement that it received irrevocable investment commitments as part of the PIPE Financing was false. The applicant seeks to represent anyone who purchased the Company’s ordinary shares after the announcement of the Business Combination in March 2022 until the end of February 23, 2023, which was the last trading day of the Company’s ordinary shares on the TASE. The applicant claims personal damages in the amount of NIS 50,752, while the claim for the alleged damage for the members of the affected group was valued at a total of more than NIS 2.5 million. The Motion to Certify also asserts that the Company’s alleged actions demonstrate a breach of the duties of care and loyalty imposed on the officers and the directors of the Company under the Companies Law, a violation of disclosure obligations under the Israeli Securities Law, and a violation of other statutory duties. On January 30, 2024, eight respondents filed a motion to dismiss outright the Motion to Certify (the “Motion to Dismiss”). The Court ultimately rejected the Motion to Dismiss at a hearing on March 24, 2024. At a hearing held on July 10, 2024, the Court recommended that three respondents be removed from the Motion to Certify and that the applicant waive all causes of action that do not relate to the Securities Law, which recommendations the applicant subsequently adopted. Evidentiary hearings are scheduled to be held on October 20–21, 2025.

5. Oppenheimer Suit - On June 12, 2023, Oppenheimer & Co., Inc. (“Oppenheimer”) filed a claim against the Company in the United States District Court for the Southern District of New York alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company’s Business Combination with Mount Rainier Acquisition Corp. The complaint alleges that the Company owes Oppenheimer in excess of \$12 million (as well as its costs and legal fees associated with the claim) with regards to the Business Combination, pursuant to a financial advisory agreement entered into by and between Oppenheimer and the Company in December 2021.

Effective February 19, 2025, the Company and Oppenheimer agreed to settle the claim 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 does not bear interest and is repayable by way of conversion into the Company’s ordinary shares on February 18, 2030, subject to earlier conversion by Claymore. The note is convertible into ordinary shares at a rate equal to 25% below the lower of (i) the closing price per share of the ordinary shares immediately preceding the conversion and (ii) the volume-weighted average price of the ordinary shares over the five trading days prior to the conversion, subject to a collar between \$15.00 and the Nasdaq floor price.

In the event Claymore defaults on its payment obligations, the principal amount of the note will be reduced by twice the amount of such payment. The Company also undertook to grant Claymore liens to secure the Company’s repayment obligations under the note, following the repayment of the note issued to J.J. Astor & Co. on December 30, 2024 and the Company’s receipt of the consent of the applicable senior lien holders.

6. Dominion Capital Suit and Insolvency Petition - In December 2023, Dominion Capital LLC, a sponsor of the SPAC, Mount Rainier Acquisition Corp., sued the Company in a New York State Court alleging that the Company failed to repay \$2.5 million that the sponsor allegedly disbursed to the Company pursuant to a promissory note. The sponsor asserted that it was entitled to damages in the amount of the loan principal plus interest and attorneys’ fees and was awarded summary judgment.

On April 10, 2024, Dominion Capital LLC, based upon the lawsuit filed in New York, submitted to the Tel Aviv District Court a petition to declare the Company insolvent.

On February 20, 2025, the Company and Dominion agreed to settle the claims 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. Dominion agreed that, upon receipt of the first installment payment, it will file a motion to stay the Israeli insolvency proceedings, and upon receipt of the second installment payment, it will file a motion to cancel the Israeli insolvency proceedings. The Israeli insolvency proceedings were eventually 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 does not bear interest and is repayable by way of conversion into the Company’s ordinary shares on February 20, 2030, subject to earlier conversion by Claymore. The note is convertible into ordinary shares at a rate equal to 25% below the lower of (i) the closing price per share of the ordinary shares immediately preceding the conversion and (ii) the volume-weighted average price of the ordinary shares over the five trading days prior to the conversion, subject to a collar between \$15.00 and the Nasdaq floor price.

In the event Claymore defaults on its installment payment obligations to Dominion, the principal amount of the note will be reduced by 1.667 times the amount of such installment. The Company also undertook to grant Claymore liens on the Company’s shares in BlackSwan Technologies, Inc. and on incoming revenues of the Company in the amount of \$6 million in the event that an insolvency event occurs prior to August 20, 2025 or if Nasdaq does not grant the Company the opportunity to come into compliance with its listing conditions by no earlier March 31, 2025. Neither of such events of default materialized.

7. All Ways Gateport Ltd - On November 6, 2023, All Ways Gateport Ltd. submitted to the Tel Aviv District Court a petition to declare Comsec Distribution Ltd. (a subsidiary of the Company) insolvent due to an unpaid debt of \$71,615. As the claim was included in the Comsec debt settlement, the claim was dismissed by the mutual consent of the parties on October 27, 2024.
8. 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, alleging breaches of a loan agreement and seeking 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. An initial mediation session was scheduled for October 19, 2025.
9. Meitar law firm – Meitar filed a claim against the Company on August 29, 2024, claiming unpaid legal fees of NIS 562,960. Meitar was awarded by the Court with the amount requested in the claim on December 18, 2024, and the Company paid all amounts requested by Meitar under the claim.
10. Amit Pollak Matalon law firm - Amit Pollak Matalon filed a claim against the Company on April 23, 2025, claiming unpaid legal fees of NIS 441,624 for services rendered to Blackswan Technologies, Inc. on July 21, 2025 the parties reached an agreement, which the court was asked to approve, according to which the Company would pay to the Amit Pollak Matalon law firm NIS 461,624 (including expenses) to dismiss the claim.
11. Tufin - A claim was filed in the Tel Aviv Magistrates Court by Tufin Software Technologies Ltd. (“Tufin”), against Comsec Ltd., (a subsidiary of the Company) and against the Company claiming an unpaid debt of NIS 1,891,799. While the parties were in settlement discussions, on September 4, 2024 Tufin filed a motion to receive a judgement due to the fact that the respondents did not submit their defense in the claim. As Tufin was ultimately one of the creditors included in the Comsec debt settlement, the claim is expected to eventually be dismissed. Tufin’s CFO also confirmed in writing that as long as Comsec meets the terms of the debt settlement, Tufin will not take any further actions to advance this claim
12. Bulwarx Ltd. – On September 3, 2024, Bulwarx Ltd. filed a claim against the Company claiming an unpaid debt of NIS 163,370 for services rendered to the Company. On September 22, 2024 the claim was settled.
13. DoIt International Ltd. – A claim was filed against Blackswan Technologies, Inc by DoIt International Ltd. on a U.S. court, on September 11, 2023, in the amount of \$395,131.06 plus 5.34% per annum. The case was dismissed by default judgement.
14. 8 Allocate OU - A claim was filed against Blackswan Technologies, Inc by 8 Allocate OU in a U.S. court, on April 4, 2024, in the amount of \$178,738.22 as of May 31, 2024. The case was dismissed by default judgement.
15. The Phoenix Insurance Company Ltd v. Comsec Ltd. – On October 27, 2024, a claim was filed against Comsec Ltd. for missing social benefits payment to Comsec employees insured by the Phoenix Insurance Company Ltd, in the amount of NIS 145,922. Since payments were subsequently made, this claim is expected to be dismissed.
16. The Phoenix Insurance Company Ltd v. Hub TLV – On February 20, 2025, a claim was filed against Hub TLV for missing social benefits payment to the Company’s employees insured by the Phoenix Insurance Company Ltd, in the amount of NIS 165,496. Since the payments were subsequently made, this claim is expected to be dismissed.
17. The Phoenix Insurance Company Ltd v. Hub Cyber Security Ltd. – On July 17, 2025, a claim was filed against the Company for missing social benefits payment to the Company’s employees insured by the Phoenix Insurance Company Ltd., in the amount of NIS 81,950. Since the payments were subsequently made, this claim is expected to be dismissed.

18. Class Action Suit -

HUB Cyber Security Ltd. (S.D.N.Y.): This case consolidates into one securities class action the complaints filed in the cases styled Efrat Investments LLC et al. v. Hub Cyber Security Ltd., and Green v. Hub Cyber Security Ltd. f/k/a Hub Cyber Security (Israel) Ltd., et al. This action names the Company and current and former officers and directors of the Company (including Eyal Moshe, Hugo Goldman, Uzi Moskovich, 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 state 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.

At this time, the parties have agreed to mediate plaintiffs’ claims in the hopes of achieving an early resolution of the case. The mediation is scheduled for September 3, 2025. In light of the mediation, the parties have agreed to conduct limited pre-mediation discovery. Should the parties fail to settle the case in mediation, additional discovery will be conducted.

19. Employment Claims - Two of the Company’s former U.S. employees filed claims in the cumulative amount of approximately \$350,000 in the aggregate related to lost wages, amounts due pursuant to employment agreements and unlawful termination. The claims have since been settled.

Additionally, a few former employees filed various claims:

- (a) A former employee filed a claim in the Tel Aviv labor Court against Comsec Ltd. (a subsidiary of the Company) in the amount of NIS 846,716 alleging unlawful termination and entitlement to various employment rights, including, but not limited to, unlawful termination compensation, severance pay, advanced notice compensation, and bonuses according to the employment agreement. On February 23, 2025, the case was settled for NIS 50,000.
- (b) An additional former Israeli employee filed a claim in the Tel Aviv Labor Court against the Company in the amount of NIS 271,593. The plaintiff alleges that this amount is owed to him due to violation of the employment agreement signed with him. The plaintiff claims a signing bonus that he claims was not paid to him, an unconditional quarterly bonus including social benefits for him, and the registration of 20,000 RSUs in his name, compensation for bad faith and misrepresentation. On November 8, 2024 the case was settled for an amount of NIS 101,500.
- (c) An additional former Israeli employee filed a claim in the Tel Aviv Labor Court against the Company on June 19, 2025 in the amount of NIS 138,635. The plaintiff alleges that this amount is owed to her due to various violations of her employment agreement. The Company is currently studying the claim.

- (d) Blackswan Technologies AI Ltd Employees matters – Claims were filed against Blackswan Technologies AI Ltd in a U.K. court by various employees. The total amount of these claims is \$156,650.
- (e) Blackswan Technologies Sp. z.o.o Employees matters - Claims were filed against Blackswan Technologies Sp. z.o.o in a court in Poland by various employees. The total amount of these claims is \$ 20,350.
- (f) A former employee of BlackSwan Technologies GmbH filed a claim on April 2, 2025, for protection against unfair dismissal before the Labor Court of Giessen. In the proceedings, the plaintiff seeks, inter alia, a declaration that the extraordinary termination of his employment without notice is invalid. In addition he claims outstanding salary payments for the period from December 2024 until March 2025 in the total amount of EUR 47,122.00 plus default interest. A conciliation hearing was scheduled for June 30, 2025. Service of the summons was effected by public notice. No appearance was entered on behalf of the defendant, with the result that a default judgment was rendered against the Company. On August 12, 2025, the Company lodged an objection against the default judgment, which had become known to it on August 5, 2025, within the applicable time limit.
- (g) A former employee of BlackSwan Technologies GmbH filed a claim on April 19, 2025, for protection against unfair dismissal before the Labour Court of Mönchengladbach. He seeks a declaration that the extraordinary termination of his employment without notice declared against him on April 7, 2025 is invalid. A conciliation hearing is expected to be rescheduled.
- (h) Cognitive Systems Ltd. - On April 4, 2024, several former employees of Cognitive Systems Ltd. (which subsequently became a subsidiary of the Company) filed a claim in the Tel Aviv Labor Court against Cognitive and its directors and officers in the amount of NIS 2,854,993.

The plaintiffs allege that this amount is owed to them due to non-payment of their monthly salary, contribution to pension arrangement and study fund, supplemental payment to severance pay and delayed compensation (wage delay and severance pay delay compensation), compensation for loss of tax, and damages for deficiencies in pay slips. An evidentiary hearing is scheduled to be held on January 12, 2026.

Following the finding of the Special Committee, the Company has also filed a claim against two former employees:

- (a) On June 1, 2023, the Company filed a claim against its former Chief of Staff and VP HR and wife of the Company's former CEO, in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. In January 2024 a preliminary hearing was held during which the parties agreed that a consent judgment would be given stating that the amounts accumulated in the former employee's name in the provident funds will not be released to either of the parties or to any third party until a final judgment is rendered in the Company's claim against the former employee. A judgment was issued in accordance with the parties' agreements as stated. On February 26, 2024, the Company filed a new claim against the former employee for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On June 26, 2024, the former employee filed her statement of defense.

On July 21, 2024, the former employee filed a counterclaim in the amount of NIS 1,268,481. The former employee alleges that this amount is owed to her due to an unlawful termination process carried out against her, which was accompanied by rude behavior, disrespect, and humiliation. In all, the former employee demands the following payments and compensation from the Company: (i) release of severance pay funds accumulated in her favor, (ii) completion of severance pay in the amount of NIS 30,008, (iii) compensation for delayed severance pay, (iv) six months' advance notice pay amounting to NIS 460,590, (v) compensation for gender discrimination and damage to reputation and good name in the amount of six salaries amounting to NIS 460,590, (vi) compensation for dismissal in bad faith, arbitrarily and without a hearing, and workplace bullying in the amount of NIS 230,295, (vii) an annual bonus of NIS 76,765, and (viii) reimbursement of expenses for a business trip abroad on behalf of Hub amounting to at least NIS 10,233. On November 7, 2024, the Company filed its statement of defense.

An evidentiary hearing was scheduled for September 8, 2025, but the parties have filed a mutual request to postpone the hearing to no earlier than December 2025.

(b) On November 11, 2023, the Company filed a claim against Mr. Eyal Moshe (“Eyal”), a former CEO of Hub Cyber in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds to the Company. On February 18, 2024, Eyal filed his statement of defense. On June 4, 2024, Hub submitted a request to the Court to consolidate Hub’s two claims, the Claim against Eyal as described herein and the Claim against Ayelet as described above.

An evidentiary hearing was scheduled to be held on September 8, 2025, but the parties have filed a mutual request to postpone the hearing to no earlier than December 2025.

The description 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.

Organizational Structure

The following table sets forth our material subsidiaries as of April 28, 2025, all of which are wholly owned, directly or indirectly, with the exception of ALD Software Ltd, of which we own 98.63%.

Name of Subsidiary	Jurisdiction of Organization
HUB Cyber Security TLV Ltd.	Israel
ALD Manpower Solutions Ltd.	Israel
ALD College Ltd.	Israel
Qpoint Solutions Ltd.	Israel
Sensecom Consulting & 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

Property, Plants and Equipment

Our principal facilities are located in Tel Aviv, Israel which consist of approximately 643 square meters (approximately 6,921 square feet) of leased office space, and additional facilities in Or Yehuda (near Tel Aviv) which consist of approximately 1,600 square meters (approximately 17,222 square feet) of leased office space. These facilities currently accommodate our principal executive offices, research and development, account management, legal, marketing, business development, sales, finance, information technology, customer support and other administrative activities. HUB’s employees are located in these two facilities. The lease for these facilities expires in August 2026 and March 2028 (respectively), and HUB has the option to extend the lease which expires in March 2028 for an additional five years beyond the current term. HUB also currently leases offices in the Netherlands and expects to lease office space in the United States in the near term. HUB believes that its facilities are adequate to meet its needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of its operations.

Transfer Agent and Registrar

The transfer agent and warrant agent for our securities is Equiniti Trust Company LLC.

Registered Holders

Based on a review of the information provided to us by our transfer agent, as of April 28, 2025, there were 32 registered holders of our ordinary shares, (one of which, Cede & Co., is a United States registered holder, holding approximately 6,213,376 shares (which represents 60.81% 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.

MANAGEMENT

Directors and Senior Management

Management and Board of Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of August 29, 2025:

Name	Age	Position
<i>Executive Officers</i>		
Noah Hershcoviz	42	Chief Executive Officer and Director
Lior Davidsohn	45	Interim Chief Financial Officer
Nachman Geva	54	Chief Technology Officer
Tuvia Grossman	44	General Counsel and Chief Legal Officer
Shai Schiller	63	Head of Strategy
John Rogers	64	President of the Americas Region
<i>Directors</i>		
Renah Persofsky (1)(2)(3)(4)	66	Chairperson of the Board
Ilan Flato (1)(2)(3)(4)	68	Director
Shlomo Bibas (1)(2)(4)	55	Director
Uzi Moskovich	61	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

Executive Officers

Noah Hershcoviz has served as HUB's Chief Executive Officer since December 2023 and as a member of HUB's board of directors since October 2023. Mr. Hershcoviz previously served as HUB's Chief Strategy Officer from October 2023 to December 2023. Mr. Hershcoviz has served as a member of the board of BlackSwan Technologies since 2021. Additionally, Mr. Hershcoviz has served as Managing General Partner of The 12.64 Fund since 2021 and as Managing Partner, Head of Investing Banking of A-Labs Finance and Advisory since 2017. Prior to such roles, between 2016 and 2017, Mr. Hershcoviz served as VP Strategy of MCE Systems Ltd. Mr. Hershcoviz holds an LL.B in law and a B.A. in accounting from Reichman University, Herzliya, Israel and is a certified public accountant in Israel and a member of the Israeli Bar Association.

Shai Schiller has served as our Head of Strategy since October 2023. From 2021 until 2023, Mr. Schiller served as a General Partner at Jerusalem Venture Partners. In 2021, Mr. Schiller served as Vice President of Corporate Development and Worldwide Sales at Vdoo, a cybersecurity company later acquired by JFrog for \$300 million. From 2018 until 2021, Mr. Schiller was a Partner at GMOS. Prior to that, from 2012 until 2018, Mr. Schiller served as CEO & Founder of WebIntPro (sold to Cognyte in 2018), a world leader in delivering knowledge management systems to government agencies, security and law enforcement organizations and financial institutions. From 2007 until 2012, Mr. Schiller was Active Chairman of the Board of Capital Nature VC, an investment group made up of a consortium of Israel's largest corporations, such as Ormat, Elbit, Rafael and Yashir Insurance. Mr. Schiller holds a B.Sc. degree in Computer Science and an M.B.A. degree from the University of Maryland.

John Rogers has served as President of the Americas Region of HUB since April 2025. Prior to joining HUB, in 2024 Mr. Rogers co-founded Goodland Advisors. Since 2015, Mr. Rogers has served on the Board of Directors of MV Transportation, where he currently serves as Vice Chair, and from 2017 to 2018, he served as interim Chief Executive Officer of MV Transportation. From 2006 to 2022, Mr. Rogers served as Founder and Chief Executive Officer of RL Leaders, a national security consulting enterprise. Mr. Rogers previously served as Chair of the Advisory Board of HUB Security from 2023 to 2024 and served on the Board of Directors of Vendini from 2016 to 2019. He currently serves as an advisor to Neuro Animation Inc. Mr. Rogers attended Illinois State University and the University of Iowa and was named an Adjunct Fellow by the Center for Strategic and International Studies.

Lior Davidsohn has served as our Interim Chief Financial Officer since February 2024, as well as during September and October 2023. From 2019 to 2023 Mr. Davidsohn was a finance manager and business controller at Philips Electronics IL in Israel. Prior to that, from 2018 to 2019, Mr. Davidsohn was the chief financial officer of Compedia Ltd., a finance director at Leadcome from 2017 to 2018, and the chief accounting officer at Alcatel-Lucent Ltd. From 2014-2017. Mr. Davidsohn is a certified CPA and holds a B.A. in Social Sciences from Bar-Ilan University in Israel and a CPA Accreditation from the College of Management in Israel.

Nachman Geva has served as our Chief Technology Officer since January 2024. Since 2014, Mr. Geva has served as the chief technology officer for A.I.S. Active Intelligence Solutions Ltd., a company that he also co-founded. From 2019 to 2021, Mr. Geva served as the vice president of research and development and the chief product officer of Verint's CES Ltd.'s Data Intelligence group, and from 2018 to 2019, he served as the vice president of research and development and the chief product officer of WebIntPro Ltd. Mr. Geva holds a B.A. in Computer Science from the Technion - Israel Institute of Technology, Haifa, Israel and an MBA from the University of Massachusetts Amherst.

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. Prior to that, Mr. Grossman served as the Director of Legal & Business Affairs of Tahal Water Energy Ltd., from 2012 to 2014. Prior to that, Mr. Grossman served as a lawyer at ERM Law from 2010 to 2012, at Gornitzky & Co. from 2005 to 2010 and at the Supreme Court of Israel from 2004 to 2005. Mr. Grossman holds a J.D. degree in Law from Chicago - Kent University of Law in the US.

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 Trajectory Corp. from 2010 to November 2024 and served as an executive consultant of Canadian Imperial Bank of Commerce (NYSE: CM) from 2011 to 2021. Ms. Persofsky served as the Chairwoman of BookJane Inc. from October 2016 to December 2021; a director of Tilray Brands, Inc. (Nasdaq: TLRY) (f/k/a Aphria Inc.) since October 2017 and the Vice Chairwoman and Lead Director since October 2019; the Chairwoman of Green Gruff Inc. since July 2019; a director of Greenlane Holdings (Nasdaq: GNLN) since April 2022; and a director at Oceansix Future Paths Ltd. (TSXV: OSIX) (f/k/a K.B. Recycling Industries Ltd.) since April 2021. 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. HUB's Board of Directors believes that Ms. Persofsky's extensive executive leadership experience, including her broad public company board experience across multiple industries, makes her well qualified to serve as a member of its Board of 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. Since 2011, Mr. Flato has been a member of the Israel Bar Association. From 2009 until 2018, Mr. Flato served as a director in two Provident Funds. From 2009 until April 2018, Mr. Flato served as Chairman of the Business Executive of Kibbutz Kfar Blum. From January 2018 until April 2020, Mr. Flato served as Chairman of the Business Executive Kibbutz "NAAN". Since 2004, Mr. Flato has functioned as an independent financial adviser. Until 2004, Mr. Flato served as the VP for planning, economics and online banking in 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 has served as a director of Tower Semiconductor Ltd. since February 2009 and in Leumit Health Services since March 2025. Mr. Flato 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. HUB's Board of Directors believes that Mr. Flato's extensive background in economics and finance makes him well qualified to serve as a member of its Board of Directors.

Shlomo Bibas has served as a member of HUB's Board of Directors since April 2025. Mr. Bibas has served as Senior Vice President Operations and Chief Technology Officer at the Woodbridge Group since August 2022. From 2018 to 2022, Mr. Bibas 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 November 2018 to November 2020. Since 2007, Mr. Bibas has served on the boards of various private, public, for-profit and not-for-profit organizations, and currently serves as Vice Chairman of the Board of Cayuse Technologies LLP. 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. HUB's Board of Directors believes that Mr. Bibas's extensive technology and operations leadership experience at major global corporations makes him well qualified to serve as a member of its Board of Directors.

Uzi Moskovich has served as a member of our board of directors since June 2021 and as our Chief Executive Officer from February 2023 to December 2023. Prior to becoming our Chief Executive Officer in February 2023, Mr. Moskovich served as Chairman from April 2022 to February 2023. Mr. Moskovich has served as the Chief Executive Officer of InteriorNet since March 2024. Mr. Moskovich served as Chief Executive Officer of Wave Guard Technologies Ltd. since February 2019 to January 2023. Mr. Moskovich served as the Vice President at Israel Aerospace Industries (IAI) from January 2017 to November 2018. Mr. Moskovich has also served on the boards of BrandShield Systems Plc (LSE: BRSD.L) and Migdal Insurance and Financial Holdings Ltd (TASE: MGD.LTA) from 2020 to 2023 and 2017 to 2021, respectively. Mr. Moskovich received his B.Sc. in Aeronautical Engineering from the Technion Israel Institute of Technology, his MBA from New York University and his M.Sc. in Strategic Studies from the US Army War College. HUB's Board of Directors believes that Mr. Moskovich's extensive cybersecurity and technology industry experience makes him well qualified to serve as a member of its Board of Directors.

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 considered separately 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, 2024 was approximately \$1,932,000.

For 2025, we expect that the aggregate base compensation payable by us and our subsidiaries to our executive officers and directors as a group will be in the aggregate amount of approximately \$1,997,000. This amount excludes potential salary raises, bonuses and share-based compensation, which have not yet been determined for 2025.

The following is a summary of the salary expenses and social benefit costs of our five most highly compensated executive officers in 2024, 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, 2024. U.S. dollar amounts indicated for compensation of our Covered Executives are in thousands of dollars.

Name and Principal Position⁽²⁾	Base Salary (\$)⁽³⁾	Variable compensation (\$)	Equity-Based Compensation (\$)⁽⁴⁾	Total (\$)
<i>Shai Schiller</i> <i>Head of Strategy</i>	217,534	70,000	335,203	622,737
<i>Noah Hershcoviz</i> <i>Chief Executive Officer and Director⁽⁶⁾</i>	256,884	-	335,203	592,087
<i>Osher Partok Rheinisch,</i> <i>Former Chief Legal Officer⁽⁵⁾</i>	359,693	-	517,717	877,410
<i>Nachman Geva</i> <i>Chief Technology Officer</i>	273,362	-	-	273,362
<i>Lior Davidsohn</i> <i>Interim CFO</i>	299,241			299,241

(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 2024.

(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, 2024 with respect to equity-based compensation grants. The relevant amounts underlying the equity awards granted to our officers during 2024, will continue to be expensed in our financial statements over a four-year period during the years 2024 - 2027 on account of the 2024 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) Osher Partok Rheinisch resigned from her position as Chief Legal Officer on December 31, 2024. Tuvia Grossman was appointed as General Counsel and Chief Legal Officer on January 1, 2025.

At our annual general meeting of shareholders in 2023, our shareholder approved to modify the compensation payable to our directors and pay each of our directors the following compensation in respect of 2023 and onward, with the cash portion of the compensation to be paid promptly following the end of each calendar quarter (or at the termination of the director’s service in the event of the director’s termination prior thereto):

- An annual fee of \$50,000 for each member of the board of director or \$130,000 for the chairman of the board of directors (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year);
- An annual fee of \$10,000 for each member of the audit committee (or \$15,000 for the chair), \$8,000 for each member of the compensation committee (or \$12,000 for the chair), \$6,000 for each member of the nominating, governance, compliance and sustainability committee (or \$9,000 for the chair) (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year) and, if applicable, \$15,000 for each member (including the chair) of a special committee that may be established by the board of directors from time to time (even if less than a full calendar year);
- In addition, a non-employee director will be entitled to an additional annual fee if such non-employee director participated in more than 25 meetings of the board of directors and its committees in a calendar year, equal to a pro rata amount of the annual board of director membership fee, based on the applicable number of meetings attended;
- A grant of 2,000 RSUs to each director on the date of each annual general meeting of the Company, provided that we may defer the grant date if there are insufficient ordinary shares registered with the SEC on a Form S-8, until the date immediately following the filing of the applicable Form S-8. Each such grant of RSUs will vest in eight equal quarterly installments, subject to the continuing service of the grantee as a one of our directors. The vesting period of a director’s first grant of RSUs will commence from the date of such director’s initial appointment or election to the board of directors, and the vesting period of each future grant will commence on the date of the applicable annual general meeting; and
- RSUs issued to U.S.-resident directors shall be classified as non-qualified, while options issued to Israel-resident directors shall be issued under the Capital Gains tax track pursuant to Section 102 of the Israeli Income Tax Ordinance (New Version), 1961 (the “Ordinance”).

Notwithstanding the foregoing, in light of the extraordinary efforts that our current directors expended in 2023 in dealing with our multiple challenges, at our annual general meeting of shareholders in 2023, our shareholder approved the grant of 5,000 RSUs to each of the current directors following the 2023 annual meeting, on a one-time basis. In addition, in light of the decline in the value of an RSU in the year prior to the 2024 annual meeting, the multiple challenges still facing the Company and the amount of time and effort expected to be required from its directors, our shareholders approved to change the equity-based compensation payable to the Company's non-employee directors in 2025, as set forth below.

- A grant of 15,000 RSUs to each member of the Board or 80,000 RSUs to the Chairman of the Board (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year); and
- A grant of 10,000 RSUs to each member of a Board committee or 25,000 RSUs to the chair of the Audit Committee, the Compensation Committee and the N&G Committee (or, in each case, a pro-rata portion thereof in the event of service for less than a full calendar year) and any Special Committee that may be established by the Board from time to time (even if less than a full calendar year).

Each such grant of RSUs will vest in eight equal quarterly instalments, subject to the continuing service of the grantee as a director of the Company. Vesting will commence on the date of the 2024 annual meeting with respect to directors appointed or already serving at such meeting and on the date of appointment for any directors appointed between annual meetings.

In addition, for 2025 and on, each non-employee director is entitled to an additional annual cash fee if such non-employee director participated in more than 15 (rather than 25) meetings of the Board and/or its Committees in a calendar year, equal to a pro rata amount of the annual Board membership fee, based on the applicable number of meetings attended.

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, 2024.

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, 2024, 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 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, 2024, there were 55,324 ordinary shares reserved and available for issuance under the 2021 Plan. Following the adoption of the 2021 Plan, HUB ceased making grants under the 2007 Plan, though previously granted options under the 2007 Plan remain outstanding under the 2021 Plan.

Administration. HUB’s board of directors, or a duly authorized committee of the board of directors (the “Administrator”), will administer the 2021 Plan. Under the 2021 Plan, the Administrator has the authority, subject to applicable law, to interpret the terms of the 2021 Plan and any award agreements or awards granted thereunder, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option award, the fair market value of an ordinary share, the time and vesting schedule applicable to an award or the method of payment for an award, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the 2021 Plan and take all other actions and make all other determinations necessary for the administration of the 2021 Plan.

The Administrator also has the authority to approve the conversion, substitution, cancellation or suspension under and in accordance with the 2021 Plan of any or all option awards or ordinary shares, and the authority to modify option awards to eligible individuals who are foreign nationals or are individuals who are employed outside Israel or the United State of America to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of the 2021 Plan but without amending the 2021 Plan.

The Administrator also has the authority to amend and rescind rules and regulations relating to the 2021 Plan or terminate the 2021 Plan at any time. No termination or amendment of the 2021 Plan shall affect any then outstanding award unless expressly provided by the Administrator.

Eligibility. The 2021 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Ordinance, and Section 3(i) of the Ordinance and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

Grants. All awards granted pursuant to the 2021 Plan will be evidenced by an award agreement, in a form approved, from time to time, by the Administrator in its sole discretion. The award agreement will set forth the terms and conditions of the award, including the type of award, number of shares subject to such award, vesting schedule and conditions (including performance goals or measures) and the exercise price, if applicable. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards.

Unless otherwise determined by the Administrator and stated in the award agreement, and subject to the conditions of the 2021 Plan, awards vest and become exercisable under the following schedule: 25% of the shares covered by the award on the first anniversary of the vesting commencement date determined by the Administrator (and in the absence of such determination, the date on which such award was granted) and 12.5% of the shares covered by the award at the end of each subsequent six-month period thereafter over the course of the following three years; provided that the grantee remains continuously as an employee or provides services to HUB throughout such vesting dates.

Each award will expire up to ten years from the date of the grant thereof, unless such shorter term of expiration is otherwise designated by the Administrator.

Awards. The 2021 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares units (“RSUs”), 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, or provide for net withholding of shares in a cashless or net exercise mechanism.

Transferability. Other than by will, the laws of descent and distribution or as otherwise provided under the 2021 Plan or by the Administrator, neither the awards nor any right in connection with such awards are assignable or transferable.

Termination of Employment. In the event of termination of a grantee’s employment or service with HUB or any of its affiliates, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within ninety days after such date of termination, unless otherwise determined by the Administrator, but in no event later than the date of expiration of the award as set forth in the award agreement. After such three-month period, all such unexercised awards will terminate.

In the event of termination of a grantee’s employment or service with HUB or any of its affiliates due to such grantee’s death or permanent disability, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within one year after such date of termination, unless otherwise determined in the grantee’s award agreement. Any awards which are unvested as of the date of such termination or which are vested but not then exercised within the one-year period following such date, will terminate.

The Administrator may, prior to the date of termination, extend the exercise period for the vested and exercisable options for a period not to exceed the period during which the options by their terms would otherwise have been exercisable.

Notwithstanding any of the foregoing, if a grantee’s employment or services with HUB or any of its affiliates is terminated for “cause” (as defined in the 2021 Plan), subject to the discretion of the Company, all outstanding awards held by such grantee (whether vested or unvested) will terminate on the date of such termination.

Voting Rights. Grantees will not have the rights as a shareholder of HUB with respect to any shares covered by an award until the award has vested and/or the grantee has exercised such award, paid any exercise price for such award and becomes the record holder of the shares.

Dividends. Grantees holding HUB Ordinary Shares issued upon the exercise or vesting of RSUs will be entitled to receive dividends and other distributions with respect to the quantity of their holdings, subject to HUB’s Articles of Association and applicable taxation.

Transactions. In the event of an exchange or change of HUB's ordinary shares by declaration of a stock split, consolidation or exchange of share capital of HUB recapitalization, or other similar occurrences, the number and class and kind of shares subject to the 2021 Plan any options granted thereunder shall be adjusted and, the exercise price per share covered the options shall be appropriately adjusted. No adjustment shall be made by reason of the distribution of subscription rights on outstanding shares.

In the event of a merger, acquisition, reorganization, amalgamation or consolidation of HUB, or a sale of all, or substantially all of HUB's assets ("Transaction"), (i) all outstanding shares subject to the unexercised portions of outstanding options will be replaced or substituted by the successor corporation in such Transaction and appropriate adjustments shall be made to the exercise price and all other terms and conditions shall remain unchanged, all as determined by the Administrator or (ii) if the outstanding options are not assumed or substituted the Administrator may provide for an acceleration of vesting of unvested options as of the date that is ten days from the date of the Transaction.

In the event HUB is voluntarily liquidated or dissolved, all vested and unexercised options shall become exercisable within ten days of notice to the grantee, and following such period, all remaining outstanding options will terminate immediately.

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

For more information regarding our corporate governance practices and foreign private issuer status, see *“Business - Corporate Governance Practices.”*

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 be independent. Our board of directors has determined that all of our directors, other than Noah Hershcoviz and Uzi Moskovich are independent under such rules.

Under our Articles, the number of directors on our board of directors will be no less than three and no more than eleven, divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election. Therefore, at each annual general meeting, the term of office of only one class of directors expires.

Our directors are divided among the three classes as follows:

- the Class I directors are Ilan Flato and Noah Hershcoviz, and their terms will expire at the annual general meeting of shareholders to be held in 2026;
- the Class II directors are Uzi Moskovich and his term 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 2025.

Our directors will generally be appointed by a simple majority vote of holders of our ordinary shares, participating and voting (in person or by proxy) at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

Each director will hold office until the annual general meeting of our shareholders in the year in which such director’s term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless such director is removed from office as described below.

Our Articles generally require a vote of the holders of a majority of our outstanding ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority) to adopt a shareholders resolution. In addition, vacancies on our board of directors may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created. In the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our Articles, the new director filling the vacancy will serve until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors. Directors may also be dismissed or removed by a resolution adopted at a general meeting of shareholders by holders of at least 65% of our outstanding ordinary shares of the total voting power of our shareholders.

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 the Companies Law requirement to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of our board of directors.

Audit Committee

Companies Law requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee.

Listing requirements

Under the listing rules of the Nasdaq, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Our audit committee consists of Ilan Flato, Renah Persofsky and Shlomo Bibas. 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 Renah Persofsky, Shlomo Bibas and Ilan Flato. 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.

In general, under the Companies Law, the board of directors of a public company must approve a compensation policy after receiving and considering the recommendations of the compensation committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (excluding abstentions) at a general meeting of shareholders, provided that either:

- the majority of such ordinary shares is comprised of shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation policy voting against the policy does not exceed two percent (2%) of the aggregate voting rights in the company.

Under special circumstances, the board of directors may approve the compensation policy despite the objection of the shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed grounds, and after discussing again the compensation policy, that approval of the compensation policy, despite the objection of shareholders, is for the benefit of the company.

The compensation policy must be based on certain considerations, include certain provisions and reference certain matters as set forth in the Companies Law. The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification, or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- The Officer's level of education, skills, expertise, seniority (in the Company, specifically, and in his profession, in general), professional experience, and achievements.
- The Officer's position, areas of responsibility, and terms of employment pursuant to former employment agreements signed with him;
- The Officer's contribution to the Company's business, the attainment of its strategic targets, and the realization of its work plans, profits, resilience, and stability.
- The extent of the Officer's responsibilities.
- The need of the Company to hire and retain an Officer with unique skills, knowledge, or expertise.
- The existence or absence of a substantive change in the Officer's position or function or the Company's demands on him;
- The Company's size and nature of its operations;
- Relation to tenure and employment terms which include retirement bonuses - the tenure or employment period of the Officer, the terms of his tenure and employment during said period, the Company's performance during said period, the Officer's contribution to attaining the Company's targets and generating its profits, and the circumstances of the retirement.
- The conditions of the market in which the Company operates at any relevant time, including the Officer's salary terms when compared to the salary terms of Officers with similar positions (or positions of a similar level) in companies with similar characteristics to the Company's operation.
- The level of difficulty in locating, recruiting, and retaining Officers and the need to offer an attractive compensation package in a global, competitive market; and (c) changes in the Company's operation market, operation scope, and complexity.

Our compensation policy is designed to retain and motivate our directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance, and provide a risk management tool. To that end, a portion of our executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. Our compensation policy also includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm the Company in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer, and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officers' individual characteristics (such as their respective position, education, scope of responsibilities, and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses, signing bonuses and other cash bonuses (such as a special bonuses with respect to any special achievements), equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers, other than our Chief Executive Officer, will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our Chief Executive Officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers, other than our Chief Executive Officer, may alternatively be based entirely on a discretionary evaluation. The performance objectives for the annual cash bonus of executive officers, other than our Chief Executive Officer, is required to be approved by the board of directors after recommendation of the compensation committee and the Chief Executive Officer.

The measurable performance objectives of our Chief Executive Officer will be determined annually by our compensation committee and board of directors. A non-material portion of the Chief Executive Officer's annual cash bonus, as provided in our compensation policy, may be based on a discretionary evaluation of the Chief Executive Officer's overall performance by the compensation committee and the board of directors.

Under our compensation policy, our executive officers' (including members of our board of directors) equity-based compensation is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term. Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and restricted share units, in accordance with our then-current equity incentive plan. All equity-based incentives granted to executive officers shall be subject to vesting periods in order to promote long-term retention of those executive officers. Our compensation policy sets the minimum exercise price of the options and the cap for the equity-based compensation. Equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role, and the personal responsibilities of the executive officer.

In addition, our compensation policy will allow us to exculpate, indemnify, and insure our executive officers and directors to the maximum extent permitted by Israeli law subject to certain limitations set forth therein.

Our compensation policy provides for compensation to the members of our board of directors either (i) in accordance with the amounts provided in the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time, or (ii) in accordance with the amounts determined in our compensation policy.

Our compensation policy includes our Policy for Recovery of Erroneously Awarded Compensation, in compliance with the requirements of the Nasdaq rules.

Our amended compensation policy, as approved by our shareholders in November 2023, is filed as 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 Ilan Flato and Renah Persofsky. Renah Persofsky serves as chairperson of the nominating, governance, compliance and sustainability. Our board of directors has adopted a nominating, governance, compliance and sustainability committee charter setting forth the responsibilities of the committee, which include:

- overseeing and assisting our board in reviewing and recommending nominees for election of directors;
- assessing the performance of the members of our board;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our business;.
- recommending to our board of directors the Company's overall environmental, social, and governance strategies, including, but not limited to environmental, health and safety, corporate social responsibility, sustainability, philanthropy, corporate governance, reputation, diversity, equity and inclusion, community issues, political contributions and lobbying, and other public policy matters relevant to the Company (collectively, "ESG Matters");
- overseeing the Company's policies, practices, and performance with respect to ESG Matters; and
- reporting to the board of directors of the Company about current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detailing actions taken in relation to the same

Internal Auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to review the company's compliance with applicable law and orderly business procedure. Under the Companies Law, the internal auditor cannot be an interested party, an office holder, or a relative of an interested party or an office holder. Nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) any person or entity who has the right to designate one or more directors or to designate the chief executive officer of the company, or (iii) any person who serves as a director or as chief executive officer of the company. Joseph Ginossar of Fahn Kanne, an affiliate of Grant Thornton International, serves as our internal auditor.

Approval of Related Party Transactions under Israeli Law

Fiduciary duties of directors and executive officers

The Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person's title, a director, and any other manager directly subordinate to the general manager. Each person listed in the table under "Our Management - Management and Board of Directors" is an office holder under the Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would act under the same circumstances. The duty of care includes, among other things, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the business advisability of a given action brought for the office holder's approval or performed by virtue of the office holder's position; and
- all other important information pertaining to such action.

The duty of loyalty requires an office holder to act in good faith and in the best interests of the Company, and includes, among other things, the duty to:

- refrain from any act involving a conflict of interest between the performance of the office holder's duties in the company and the office holder's other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;
- refrain from exploiting any business opportunity of the company for the purpose of gaining a personal advantage for the office holder or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of the office holder's position.

Under the Companies Law, a company may approve an act, specified above, which would otherwise constitute a breach of the office holder's duty of loyalty, provided that the office holder is acting in good faith, neither the act nor its approval harms the company, and the personal interest of the office holder is disclosed a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law setting forth, among other things, the appropriate bodies of the company required to provide such approval and the methods of obtaining such approval.

Disclosure of personal interests of an office holder and approval of certain transactions

The Companies Law requires that an office holder promptly disclose to the board of directors any personal interest and all related material information known to such office holder concerning any existing or proposed transaction with the company. A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of one's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director, or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to the officer holder's vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter.

If it is determined that an office holder has a personal interest in a non-extraordinary transaction (meaning any transaction that is in the ordinary course of business, on market terms and that is not likely to have a material impact on the company's profitability, assets or liabilities), approval by the board of directors is required for the transaction unless the company's articles of association provide for a different method of approval. Any such transaction that is adverse to the company's interests may not be approved by the board of directors.

Approval first by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction (meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities) in which an office holder has a personal interest.

A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the directors have a personal interest in the matter, then shareholder approval is also required.

Certain disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest, and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder for this purpose.

For a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see "*Business- Compensation policy under the Companies Law.*"

Shareholder duties

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- interested party transactions that require shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote, and any shareholder who under the articles of association has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

Exculpation, insurance and indemnification of office holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care, but only if a provision authorizing such exculpation is included in its articles of association. The Articles include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder from the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the above mentioned events and amount or criteria;
- reasonable litigation expenses, including legal fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction;
- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third-party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent;
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law; and
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder pursuant to certain provisions of the Israeli Economic Competition Law, 5758-1988.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third-party, including a breach arising out of the negligent conduct of the office holder;
- a financial liability imposed on the office holder in favor of a third-party;
- a financial liability imposed on the office holder in favor of a third-party harmed by a breach in an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not exempt, indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except with respect to insurance coverage or indemnification, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction, or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification, and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under regulations promulgated under the Companies Law, the insurance of office holders shall not require shareholder approval and may be approved by only the compensation committee if the engagement terms are determined in accordance with the company's compensation policy, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets, or obligations.

The Articles allow us to exculpate, indemnify, and insure our office holders to the maximum extent permitted by law. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into agreements with each of our directors and executive officers exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care, and undertaking to indemnify them to the fullest extent permitted by law. This indemnification is limited to events determined as foreseeable by the board of directors based on our activities and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances.

The maximum indemnification amount to be set forth in such agreements is limited to an amount equal to the higher of \$100 million, 25% of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made and 10% of our total market capitalization calculated based on the average closing price of ordinary shares over the 30 trading days prior to the actual payment, multiplied by the total number of our issued and outstanding shares as of the date of the payment (other than indemnification for an offering of securities to the public, including by a shareholder in a secondary offering, in which case the maximum indemnification amount is limited to the gross proceeds raised by us and/or any selling shareholder in such public offering). The maximum amount set forth in such agreements is in addition to any amount paid (if paid) under insurance and/or by a third-party pursuant to an indemnification arrangement.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

There is no pending litigation or proceeding against any of HUB's office holders as to which indemnification is being sought, and, except as described in the section "*Business-Legal Proceedings*," HUB is not aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

Approval of Private Placements under Israeli Law

Under the Companies Law, a private placement of securities requires approval by the board of directors and the shareholders of a company if it will cause a person to become a controlling shareholder or if:

- the securities issued amount to 20% or more of the company's outstanding voting rights before the issuance;
- some or all of the consideration is other than cash or listed securities or the transaction is not on market terms; and
- the transaction will increase the relative holdings of a shareholder that holds 5% or more of the company's outstanding share capital or voting rights or that will cause any person to become, as a result of the issuance, a holder of more than 5% of the company's outstanding share capital or voting rights.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of related-party transactions we have entered into since January 1, 2024 with any of the members of the board of directors, executive officers or holders of more than 5% of any class of our voting securities at the time of such transaction.

Rights of appointment

Our board of directors currently consists of five directors. Pursuant to our articles of association as in effect immediately prior to the Business Combination, certain of our shareholders, including related parties, had rights to appoint directors and observers to its board of directors. All rights to appoint directors and observers terminated upon the closing of the Business Combination.

Agreements with officers

Employment Agreements. We have entered into employment or consulting agreements with each of our executive officers, and the terms of each individual's employment or service, as applicable, have been approved by our board of directors. These agreements provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive base salary and benefits. These agreements also contain customary provisions regarding noncompetition, confidentiality of information and assignment of inventions. However, the enforceability of the noncompetition provisions may be limited under applicable law. Transactions with related parties also include employment agreements with relatives of certain directors or officers, each duly approved by the Board of Directors or its Audit Committee.

Options and restricted share units. Since our founding, we have granted options to purchase ordinary shares to our executive officers and directors. Additionally, since August 2021, we have granted restricted share units and restricted shares to our executive officers and directors.

Exculpation, indemnification, and insurance. The Articles permit us to exculpate, indemnify and insure certain of its officeholders (as such term is defined under the Companies Law) to the fullest extent permitted by the Companies Law. We have entered into agreements with certain officeholders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions, including with respect to liabilities resulting from the closing of the Business Combination to the extent that these liabilities are not covered by insurance.

Agreements with Blackswan and A-Labs. We have entered into agreements with certain third parties with whom Noah Hershcoviz, our Chief Executive Officer and director, is an affiliate. Specifically, we entered into the BST Merger Agreement with BST, a company in which Mr. Hershcoviz serves 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 "Management's Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources-Financings."

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 Investing Banking, as further described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Financings*”. In addition, we paid A-Labs the sum of \$4.2 million between July 2021 and March 2023 as consulting fees under a financial advisory services agreement entered into July 2021 (the “A-Labs Agreement”) and we issued to A-Labs warrants to purchase the 407,692 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 \$100 per ordinary share. This conversion of amounts we owed to A-Labs under the A-Labs Agreement, was effected to partially satisfy the commitment that A-Labs made to us to purchase \$20 million of our ordinary shares in the PIPE Financing. In December 2022, we amended the A-Labs Agreement to provide that for each financing transaction closed, in addition to paying a commission to A-Labs in cash, we would be required to issue warrants to purchase ordinary shares in an amount equal to the cash consideration that would otherwise be payable under the financial advisory services agreement divided by 4.81, which warrants shall be exercisable for 4 years and at an exercise price of NIS 4.81 (regardless of the price per share paid by investors in the relevant financing transaction). Additionally, we committed to provide compensation under the A-Labs Agreement for all investors with whom we would enter into a financing transaction prior to our shares being listed for trading on the Nasdaq regardless of whether such investors were introduced to the Company by A-Labs. In each of September 2022 and January 2023, we paid to A-Labs an additional commission of \$50,000 in exchange for extra services provided by A-Labs over the course of certain fund raising efforts and loan issuances. Additionally, as part of the Shayna Loans, we paid to A-Labs commissions totaling \$140,000 for services provided as part of the fund raising efforts. The term of the A-Labs Agreement was for 12 months following the execution in July 2021, provided that the A-Labs Agreement will automatically renew for additional 12 month terms unless either party provides written notice to the other party of its intention not to renew at least 30 days prior to the end of such initial 12 month term or any renewed terms. Additionally, the A-Labs Agreement may be terminated by either party upon a minimum of 30 days prior written notice. In August 2023, we received from A-Labs a waiver of the retainer fees for the services. Nevertheless, as of the date of this prospectus, there remains unpaid fees of \$3,298,000 under the A-Labs Agreement.

Private Placement with Chairman. In January 2023, we entered into an agreement with 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 prospectus, we have not issued such 5,000 ordinary shares.

Management Debt Conversions

CEO Commission Conversion. In May 2025, we converted \$382,500 of commissions owed to Noah Hershcoviz, our Chief Executive Officer, into 170,000 ordinary shares at a conversion price of \$2.25 per share, reflecting the closing price of our ordinary shares on May 30, 2025. These commissions were accrued during Mr. Hershcoviz’s prior service as Chief Strategy Officer of the Company.

Chairperson Board Fee Conversion. In June 2025, we converted \$32,708.50 of board service fees owed to Renah Persofsky, Chairperson of our Board of Directors, into 14,935 ordinary shares at a conversion price of \$2.19 per share, reflecting the closing price of our ordinary shares on June 10, 2025. These fees were accrued for her service on our Board of Directors.

In connection with these transactions, our audit committee adopted resolutions providing that our Chief Executive Officer and Chairperson of the Board may, at their sole discretion and for a limited period of 30 days, convert any portion or all of the cash debt owed to them by the Company into ordinary shares at the last closing price of our shares on the date prior to the day of such conversion, subject to applicable laws and regulations and board ratification. The audit committee determined that such conversions would benefit the Company by reducing outstanding debt liabilities while supporting compliance with Nasdaq’s minimum market value of listed securities continued listing requirement of \$35 million.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of August 15, 2025 by:

- each person known by us who is the beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our executive officers and directors individually; and
- all of our executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of the security, or “investment power,” which includes the power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days of August 15, 2025. 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 August 29, 2025, 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.

For a description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years see “*Certain Relationships and Related Party Transactions*.”

Unless otherwise noted below, each shareholder’s address is 2 Kaplan Street, Tel Aviv, Israel 6473403.

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:		
Noah Hershcoviz (1)	303,881	1.38%
Lior Davidsohn	-	-
Tuvia Grossman (2)	15,550	*
Nachman Geva (3)	13,333	-
Shlomo Bibas (4)	12,500	*
Renah Persosfky (5)	53,685	-
Ilan Flato (6)	27,500	*
Uzi Moskovich (7)	33,192	*
Shai Schiller (8)	22,331	*
John Rogers (9)	77,500	*
All executive officers and directors as a group (10 individuals)	559,472	2.55%

* Less than one percent (1%) of our outstanding ordinary shares.

- (1) Consists of (i) 14,000 ordinary shares that were issued upon the settlement of restricted share units, (ii) 119,335 ordinary shares, 12,000 of which are being held in escrow until January 27, 2026 to secure certain indemnification obligations, which were issued upon the closing of the BST Merger to Stok Kangi Ltd., a company wholly-owned by Mr. Hershcoviz, and (iii) 170,546 ordinary shares, 35,932 of which are being held in escrow until January 27, 2026 to secure certain indemnification obligations, which were issued upon the closing of the BST Merger to The 12.64 Fund, of which Mr. Hershcoviz is Managing General Partner. Does not include (i) pre-funded warrants to purchase 186,783 ordinary shares, issued upon the closing of the BST Merger to The 12.64 Fund, of which Mr. Hershcoviz is Managing General Partner (ii) 10,000 restricted share units that vest in 14 equal three-month instalments over 3.5 years from November 21, 2024, subject to the payment in full by the Company of mandatory employee pension and severance contributions and manager's insurance and directors' fees ("Milestone A") and the Control Limitation, (iii) 30,000 performance share units that vest in 14 equal three-month instalments over 3.5 years from November 21, 2024, subject to three equal instalments if and when the Company's volume weighted average price (VWAP) per share during any period of 30 consecutive trading days multiplied by the number of ordinary shares outstanding (the "Market Value") reaches \$50 million, \$75 million and \$100 million, respectively, by May 21, 2027, and further subject to Milestone A and the Control Limitation and (iv) 560,000 restricted shares, the grant of which is subject to Milestone A and the Control Limitation, that vest as follows:

- (a) 190,000 restricted shares vest in 14 equal three-month instalments over 3.5 years from November 21, 2024;
- (b) 170,000 restricted shares vest in 14 equal three-month instalments over 3.5 years from November 21, 2024 and are subject to three equal instalments if and when the Company's Market Value reaches \$50 million, \$75 million and \$100 million, respectively;
- (c) 100,000 restricted shares vest in 14 equal three-month instalments over 3.5 years from the closing of the BST Merger, which occurred on January 27, 2025; and
- (d) 100,000 restricted shares vest in 14 equal three-month instalments over 3.5 years from the closing of one or more investments in the Company after November 21, 2024 in the aggregate amount of at least \$85 million.

The exercise of the pre-funded warrants is limited to the extent that such exercise would cause the beneficial ownership of holder thereof to exceed 4.99% of the Company's outstanding shares. In addition, the ordinary shares issuable upon the exercise of the pre-funded warrants issued to The 12.64 Fund upon the closing of the BST Merger to The 12.64 Fund are restricted from transfer for a period of at least six-months from January 27, 2025. Mr. Hershcoviz disclaims beneficial ownership of the ordinary shares and warrants held by The 12.64 Fund except to the extent of his pecuniary interest therein. The foregoing restricted shares will be issued pursuant to the Company's 2021 Plan, but not before a registration statement on Form S-8 covering the issuance of such shares is filed with the SEC.

No shares will be granted to the extent that Mr. Hershcoviz's beneficial ownership, directly or indirectly, alone or together with any related party (spouse, parent, sibling, descendant, etc.), would exceed 9.9% of the Company's control rights on an outstanding or fully diluted basis, such that he would be deemed a "controlling shareholder" as defined in Section 32(9) of the Israeli Income Tax Ordinance, including compliance with the tests established by the Israeli Tax Authority for determining "control" for the purposes of Section 102 of the Ordinance) (the "Control Limitation"), provided, however, that the vesting of any such shares will commence retroactively from the date of his eligibility therefor.

- (2) Consists of 15,550 restricted share units. Does not include 31,116 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (3) Consists of 13,333 restricted share units. Does not include 40,001 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (4) Consists of 12,500 restricted share units. Does not include 37,500 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (5) Consists of 14,935 ordinary shares and 38,750 restricted share units. Does not include 86,250 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (6) Consists of 27,500 restricted share units. Does not include 37,500 restricted share units, which have been granted but have not yet vested and will not vest within 60 days of August 29, 2025.
- (7) Consists of 1,317 ordinary shares and 31,875 restricted share units. Does not include 28,125 restricted share units, which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (8) Consists of 22,331 restricted share units. Does not include 25,002 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.
- (9) Consists of 77,500 restricted share units. Does not include 280,000 restricted share units which have been granted but have not vested and will not vest within 60 days of August 29, 2025.

DESCRIPTION OF SHARE CAPITAL

The following description of our issued share capital, summarizes the material provisions of our Articles of Association (the “Articles”) and highlights certain differences in corporate law in the Israel and the United State. This description of our share capital and summary of our Articles is not complete, and is qualified by reference to our Articles. You should read our Articles, which are filed as an exhibit to the registration statement of which this prospectus forms a part, for the provisions that are important to you.

HUB Cyber Security Ltd. has three classes of securities registered under Section 12 of the Exchange Act: ordinary shares and two classes of warrants to purchase ordinary shares.

ORDINARY SHARES

Share Capital

Our authorized share capital consists of 100,000,000 ordinary shares, no par value. All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any pre-emptive rights.

Our board of directors may determine the issue prices and terms for such shares or other securities, and may further determine any other provision relating to such issue of shares or securities. We may also issue and redeem redeemable securities on such terms and in such manner as our board of directors shall determine.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 51-102937-3. Our affairs are governed by our Articles of Association (the “Articles”), applicable Israeli law and specifically, the Companies Law. Our purpose as set forth in the Articles is to carry on any business and to engage in any lawful act or activity.

Voting Rights

All ordinary shares have identical voting and other rights in all respects.

Transfer of Shares

Our fully paid ordinary shares are issued in registered form and may be freely transferred under the Articles, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of the Nasdaq. The ownership or voting of ordinary shares by non-residents of Israel is not restricted in any way by the Articles or the laws of the State of Israel, except for ownership by nationals of some countries that are, have been, or expected to be, in a state of war with Israel.

Election of Directors

Under the Articles, the board of directors must consist of not less than three (3) but no more than eleven (11) directors. Each director is elected by a simple majority vote of the ordinary shares participating and voting at a general meeting of shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of its shareholders, and serve on the board of directors until the third annual general meeting following such election or re-election or until they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events in accordance with the Companies Law and the Articles. In addition, the Articles, provides that the board of directors of may fill vacancies on the board of directors to appoint new directors up to the maximum number of directors permitted under the Articles, by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in the Articles, until the next annual general meeting of shareholders for the election of the class of directors to which such director was assigned by our board of directors.

Dividend and Liquidation Rights

We may make “distributions,” as such term is defined in the Companies Law (which definition includes the payment of dividends and a company’s repurchase of its outstanding shares) to the holders of ordinary shares in proportion to their respective shareholdings, subject to certain limitations imposed by the Companies Law. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company’s articles of association provide otherwise. The Articles do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to the company’s most recently reviewed or audited financial statements (less the amount of previous distributions, if not reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If a company does not meet such criteria, then it may make distributions only with court approval. As we are a Nasdaq-listed company, court approval is not required for our repurchase of our shares, provided that we notify our creditors of the proposed repurchase and allow such creditors an opportunity to initiate a court proceeding to review the repurchase. If within 30 days such creditors do not file an objection, then we may proceed with the repurchase. In each case, we are only permitted to make the distribution if our board of directors and, if applicable, the court, determines that there is no reasonable concern that such distribution will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of the Company’s liquidation, after satisfaction of liabilities to creditors, its assets will be distributed to the holders of ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights which may be authorized in the future.

Registration Rights

Certain of our shareholders are entitled to certain registration rights under the terms of our Registration Rights Agreement. For a discussion of such rights, see “*Certain Relationships and Related Party Transactions*” in this prospectus.

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 days 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 separately. 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 Security 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 Security will exercise its option to require all holders to exercise their warrants on a "cashless basis" will depend on a variety of factors including the price of HUB Security common shares at the time the warrants are called for redemption, HUB Security's cash needs at such time and concerns regarding dilutive share issuances.

The warrants are issued in registered form under the Amended and Restated Warrant Agreement between American Stock Transfer & Trust Company, LLC, as warrant agent, and us. You should review a copy of the Amended and Restated Warrant Agreement, which is filed as an exhibit to our Annual Report for a complete description of the terms and conditions applicable to the SPAC public warrants. The Amended and Restated Warrant Agreement provides that the terms of the SPAC warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of a majority of the then outstanding SPAC warrants in order to make any change that adversely affects the interests of the registered holders.

Fractional Shares

Pursuant to the Amended and Restated Warrant Agreement, a warrant holder may exercise SPAC public warrants only for a whole number of ordinary shares. No fractional shares will be issued upon exercise of the warrants. If, upon exercise of SPAC public warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of our ordinary shares to be issued to the warrant holder.

Transferability

Subject to applicable laws, each SPAC public warrant may be transferred at the option of the holder upon surrender of the warrant to us together with the appropriate instruments of transfer.

Warrant Agent

The warrant agent for our SPAC public warrants is Equiniti Trust Company, LLC.

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.

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the “Investment Law”, provides certain incentives for capital investments in production facilities (or other eligible assets).

The Investment Law was significantly amended effective as of April 1, 2005 (the “2005 Amendment”), as of January 1, 2011 (the “2011 Amendment”) and as of January 1, 2017 (the “2017 Amendment”). Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the amended Investment Law. Similarly, the 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduces new benefits for Technological Enterprises, alongside the existing tax benefits.

Tax benefits under the 2011 amendment

The 2011 Amendment canceled the availability of the benefits granted to Industrial Companies under the Investment Law prior to 2011 and, instead, introduced new benefits for income generated by a “Preferred Company” through its “Preferred Enterprise” (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company is entitled to a reduced corporate tax rate of 15% with respect to its income derived by its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 10%. Under the 2011 Amendment, such corporate tax rate was reduced from 15% and 10%, respectively, to 12.5% and 7%, respectively, in 2013, and was increased to 16% and 9%, respectively. Pursuant to the 2017 Amendment, in 2017 and thereafter, the corporate tax rate for a Preferred Enterprise remained 16%, while the reduced rate for a specified development zone was decreased to 7.5%. Income derived by a Preferred Company from a “Special Preferred Enterprise” (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of 8%, or 5% if the Special Preferred Enterprise is located in a specified development zone. Since January 1, 2017, the definition for “Special Preferred Enterprise” includes less stringent conditions.

Dividends distributed from income which is attributed to a “Preferred Enterprise” will be subject to withholding tax at source at the following rates: (i) Israeli resident corporations-0%, (although, if such dividends are subsequently distributed to individuals or a non-Israeli company the below rates detailed in sub sections (ii) and (iii) shall apply) (ii) Israeli resident individuals-20% (iii) non-Israeli residents (individuals and corporations)- 25% or 30%, and subject to the receipt in advance of a valid certificate from the Israel Tax Authority (“ITA”) allowing for a reduced tax rate-20%, or a reduced tax rate under the provisions of any applicable double tax treaty.

We currently do not intend to implement the 2011 Amendment.

New tax benefits under the 2017 amendment that became effective on January 1, 2017

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a “Preferred Technology Enterprise” and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as “Preferred Technology Income”, as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technology Enterprise located in development zone “A.” In addition, a Preferred Technology Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain “Benefitted Intangible Assets” (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company after January 1, 2017 for at least NIS 200 million, and the sale receives prior approval from the Israel Innovation Authority. The 2017 Amendment further provides that a technology company satisfying certain conditions (group consolidated revenues of at least NIS 10 billion) will qualify as a “Special Preferred Technology Enterprise” and will thereby enjoy a reduced corporate tax rate of 6% on “Preferred Technology Income” regardless of the company’s geographic location within Israel. In addition, a Special Preferred Technology Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain “Benefitted Intangible Assets” to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Enterprise or acquired from a foreign company after January 1, 2017, and the sale received prior approval from the Israel Innovation Authority. A Special Preferred Technology Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed to Israeli shareholders by a Preferred Technology Enterprise or a Special Preferred Technology Enterprise, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders-subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate, 20% or such lower rate as may be provided in an applicable tax treaty). However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, the aforesaid will apply). If such dividends are distributed to a foreign company that holds solely or together with other foreign companies 90% or more in the Israeli company and other conditions are met, the withholding tax rate will be 4%, or such lower rate as may be provided in an applicable tax treaty.

We believe that we may be eligible to the tax benefits under the 2017 Amendment. It should be noted that the proportion of income that may be considered Preferred Technology Income and enjoy the tax benefits described above, should be calculated according to the Nexus Formula, which is based on the proportion as that of qualifying research and development expenditures in the IP compared to overall research and development expenditures.

Taxation of our shareholders

Capital gains taxes applicable to non-Israeli resident shareholders

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel, should be exempt from Israeli tax unless, among others, the shares were held through a permanent establishment that the non-resident maintains in Israel. If not exempt, a non-Israeli resident shareholder would generally be subject to tax on capital gain at the ordinary corporate tax rate (23% in 2025), 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 2024 and 2025) and a marginal tax rate of up to 47% for an individual in 2025, 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.

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 2024. 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-market 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.

SELLING SECURITYHOLDER

This prospectus relates to the possible resale from time to time by Keystone Capital Partners, LLC, or the Selling Securityholder, of any or all ordinary shares that may be issued by us to Keystone Capital Partners, LLC under the Purchase Agreement:

Up to 26,746,175 of our ordinary shares that have been or may be issued by us to Keystone pursuant to the Purchase Agreement, including:

- 22,624,434 Keystone Purchase Shares that we may elect, in our sole discretion, to issue and sell to Keystone, from time to time from and after the Keystone Commencement Date under the Purchase Agreement (assuming the shares to be issued and sold at a price of \$2.21 per share which was the closing price of our ordinary shares on the Nasdaq on August 29, 2025); and
- 4,121,741 Keystone Commitment Shares that have been or will be issued to Keystone as consideration for its execution and delivery of the Purchase Agreement (assuming the shares to be issued and sold at the floor prices of \$0.932 and \$0.492 per share).

For additional information regarding the issuance of ordinary shares covered by this prospectus, see the section titled “Keystone Capital Partners, LLC Committed Equity Financing” above. We are registering the ordinary shares pursuant to the provisions of the Registration Rights Agreement we entered into with Keystone Capital Partners, LLC, on March 11, 2025 in order to permit the selling shareholder to offer the shares for resale from time to time. Except for the transactions contemplated by the Purchase Agreement and the Registration Rights Agreement, Keystone Capital Partners, LLC has not had any material relationship with us within the past three years. As used in this prospectus, the term “selling securityholder” means Keystone Capital Partners, LLC.

The table below presents information regarding the selling shareholder and the ordinary shares that it may offer from time to time under this prospectus. This table is prepared based on information supplied to us by the selling shareholder, and reflects holdings as of August 29, 2025. The number of shares in the column “Maximum Number of ordinary shares to be Offered Pursuant to this Prospectus” represents all of the shares of ordinary shares that the selling shareholder may offer under this prospectus. The selling shareholder may sell some, all or none of its shares in this offering. We do not know how long the selling shareholder will hold the shares before selling them, and we currently have no agreements, arrangements or understandings with the selling shareholder regarding the sale of any of the shares.

Beneficial ownership is determined in accordance with Rule 13d-3(d) promulgated by the SEC under the Exchange Act, and includes the ordinary shares with respect to which the selling shareholder has voting and investment power. The percentage of ordinary shares beneficially owned by the selling shareholder prior to the offering shown in the table below is based on an aggregate of 22,048,625 ordinary shares outstanding as of August 29, 2025. Because the purchase price of the ordinary shares issuable under the Purchase Agreement is determined on each Fixed Purchase Date, with respect to a Fixed Purchase, on the applicable VWAP Purchase Date, with respect to a VWAP Purchase, and on the applicable Additional VWAP Purchase Date, with respect to an Additional VWAP Purchase, the number of shares that may actually be sold by the Company to Keystone Capital Partners, LLC under the Purchase Agreement may be fewer than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling shareholder pursuant to this prospectus.

Name of Selling Securityholder	Number of Shares of Ordinary Shares Owned Prior to Offering		Maximum Number of Ordinary Shares to be Offered Pursuant to this Prospectus	Number of Ordinary Shares Owned After Offering	
	Number ⁽¹⁾	Percent ⁽²⁾		Number ⁽³⁾	Percent ⁽²⁾
Keystone Capital Partners, LLC ⁽⁴⁾	5,035,240	*	26,746,175	0	--

* Represents beneficial ownership of less than 1% of the outstanding ordinary shares.

- (1) This number represents (i) 913,499 ordinary shares and (ii) 4,121,741 ordinary shares issuable upon conversion of the Keystone Commitment Notes we issued to Keystone Capital Partners, LLC, consisting of up to 1,072,961 ordinary shares (assuming the shares to be issued and sold at the floor price of \$0.932) underlying the Commitment Note issued on March 11, 2025 and up to 3,048,780 ordinary shares (assuming the shares to be issued and sold at the floor price of \$0.492 per share) underlying the Commitment Note issued on May 28, 2025 in consideration for entering into the Purchase Agreement with us. In accordance with Rule 13d-3(d) under the Exchange Act, we have excluded from the number of shares beneficially owned prior to the offering all of the shares that Keystone Capital Partners, LLC may be required to purchase under the Purchase Agreement, because the issuance of such shares is solely at our discretion and is subject to conditions contained in the Purchase Agreement, the satisfaction of which are entirely outside of Keystone Capital Partners, LLC's control, including the registration statement that includes this prospectus becoming and remaining effective. Furthermore, the Fixed Purchases, VWAP Purchases, or Additional VWAP Purchases, as applicable, of ordinary shares are subject to certain agreed upon maximum amount limitations set forth in the Purchase Agreement. Also, the Purchase Agreement prohibits us from issuing and selling any of our ordinary shares to Keystone Capital Partners, LLC to the extent such shares, when aggregated with all other of our ordinary shares then beneficially owned by Keystone Capital Partners, LLC, would cause Keystone Capital Partners, LLC's beneficial ownership of our ordinary shares to exceed the 4.99% Beneficial Ownership Limitation.
- (2) Applicable percentage ownership is based on 22,048,625 ordinary shares outstanding as of August 29, 2025
- (3) Assumes the sale of all shares being offered pursuant to this prospectus.
- (4) The business address of Keystone Capital Partners, LLC is 139 Fulton Street, Suite 412, New York, NY 10038. Keystone Capital Partners, LLC's principal business is that of a private investor. Ranz Group, LLC, a Delaware limited liability company, is the managing member of Keystone Capital Partners, LLC and the beneficial owner of 97% of the membership interests in Keystone Capital Partners, LLC. Fredric G. Zaino is the managing member of Ranz Group, LLC and has sole voting control and investment discretion over securities beneficially owned directly by Keystone Capital, LLC and indirectly by Ranz Group, LLC. We have been advised that none of Mr. Zaino, Ranz Group, LLC or Keystone Capital Partners, LLC is a member of the Financial Industry Regulatory Authority, or FINRA, or an independent broker-dealer, or an affiliate or associated person of a FINRA member or independent broker-dealer. The foregoing should not be construed in and of itself as an admission by Mr. Zaino as to beneficial ownership of the securities beneficially owned directly by Keystone Capital Partners, LLC and indirectly by Ranz Group, LLC.

PLAN OF DISTRIBUTION

The ordinary shares offered by this prospectus are being offered by the Selling Securityholder, Keystone Capital Partners, LLC. The shares may be sold or distributed from time to time by the Selling Securityholder directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The sale of ordinary shares offered by this prospectus could be effected in one or more of the following methods:

- ordinary brokers' transactions;
- transactions involving cross or block trades;
- through brokers, dealers, or underwriters who may act solely as agents;
- "at the market" into an existing market for our ordinary shares;
- in other ways not involving market makers or established business markets, including direct sales to purchasers or sales effected through agents;
- in privately negotiated transactions; or
- any combination of the foregoing.

In order to comply with the securities laws of certain states, if applicable, the shares may be sold only through registered or licensed brokers or dealers. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in the state or an exemption from the state's registration or qualification requirement is available and complied with.

Keystone Capital Partners, LLC is an "underwriter" within the meaning of Section 2(a)(11) of the Securities Act.

Keystone Capital Partners, LLC has informed us that it intends to use one or more registered broker-dealers to effectuate all sales, if any, of our ordinary shares that it has acquired and may in the future acquire from us pursuant to the Purchase Agreement. Such sales will be made at prices and at terms then prevailing or at prices related to the then current market price. Each such registered broker-dealer will be an underwriter within the meaning of Section 2(a)(11) of the Securities Act. Keystone Capital Partners, LLC has informed us that each such broker-dealer will receive commissions from Keystone Capital Partners, LLC, which will not exceed customary brokerage commissions.

Brokers, dealers, underwriters or agents participating in the distribution of the ordinary shares offered by this prospectus may receive compensation in the form of commissions, discounts, or concessions from the purchasers, for whom the broker-dealers may act as agent, of the shares sold by the Selling Securityholder through this prospectus. The compensation paid to any such particular broker-dealer by any such purchasers of ordinary shares sold by the Selling Securityholder may be less than or in excess of customary commissions. Neither we nor the Selling Securityholder can presently estimate the amount of compensation that any agent will receive from any purchasers of ordinary shares sold by the Selling Securityholder.

We know of no existing arrangements between the selling shareholder or any other shareholder, broker, dealer, underwriter or agent relating to the sale or distribution of the ordinary shares offered by this prospectus.

We may from time to time file with the SEC one or more supplements to this prospectus or amendments to the registration statement of which this prospectus forms a part to amend, supplement or update information contained in this prospectus, including, if and when required under the Securities Act, to disclose certain information relating to a particular sale of shares offered by this prospectus by the Selling Securityholder, including the names of any brokers, dealers, underwriters or agents participating in the distribution of such shares by the Selling Securityholder, any compensation paid by the Selling Securityholder to any such brokers, dealers, underwriters or agents, and any other required information.

We will pay the expenses incident to the registration under the Securities Act of the offer and sale of the ordinary shares covered by this prospectus by the Selling Securityholder. As consideration for its irrevocable commitment to purchase our ordinary shares under the Purchase Agreement, we have issued to Keystone Capital Partners, LLC the Keystone Commitment Notes convertible into our ordinary shares in accordance with the Purchase Agreement. We have also paid to Keystone Capital Partners, LLC \$50,000 in cash as reimbursement for the reasonable, out-of-pocket expenses incurred by Keystone Capital Partners, LLC, including the legal fees and disbursements of Keystone Capital Partners, LLC's legal counsel, in connection with its due diligence investigation of the Company and in connection with the preparation, negotiation and execution of the Purchase Agreement.

We also have agreed to indemnify Keystone Capital Partners, LLC and certain other persons against certain liabilities in connection with the offering of ordinary shares offered hereby, including liabilities arising under the Securities Act or, if such indemnity is unavailable, to contribute amounts required to be paid in respect of such liabilities. Keystone Capital Partners, LLC has agreed to indemnify us against liabilities under the Securities Act that may arise from certain written information furnished to us by Keystone Capital Partners, LLC specifically for use in this prospectus or, if such indemnity is unavailable, to contribute amounts required to be paid in respect of such liabilities. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons, we have been advised that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore, unenforceable.

We estimate that the total expenses for the offering will be approximately \$200,000.

Keystone Capital Partners, LLC has represented to us that at no time prior to the date of the Purchase Agreement has Keystone Capital Partners, LLC or its agents, representatives or affiliates engaged in or effected, in any manner whatsoever, directly or indirectly, any short sale (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of our ordinary shares or any hedging transaction, which establishes a net short position with respect to our Ordinary Shares. Keystone Capital Partners, LLC has agreed that during the term of the Purchase Agreement, neither Keystone Capital Partners, LLC, nor any of its agents, representatives or affiliates will enter into or effect, directly or indirectly, any of the foregoing transactions.

We have advised the Selling Securityholder that it is required to comply with Regulation M promulgated under the Exchange Act. With certain exceptions, Regulation M precludes the Selling Securityholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the securities offered by this prospectus.

This offering will terminate on the date that all ordinary shares offered by this prospectus have been sold by the Selling Securityholder.

Our ordinary shares are currently listed on the Nasdaq Capital Market under the symbol "HUBC".

EXPENSES

We estimate that our expenses in connection with the issuance and registration of our ordinary shares in connection with exercise of warrants and the offer and sale of our ordinary shares by the Selling Securityholder, will be as follows:

Expenses	Amount
SEC registration fee	\$ 9,377.19
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous costs	120,000
Total	<u>\$ 129,377.19</u>

* Estimated fees and expenses are not presently known. If required, to be provided by a prospectus supplement or as an exhibit to a Current Report on Form 6-K that is incorporated by reference into this prospectus.

Under agreements to which we are party with the Selling Securityholder, we have agreed to bear all expenses relating to the registration of the resale of the securities pursuant to this prospectus.

LEGAL MATTERS

The legality of the ordinary shares and certain warrants offered by this prospectus and certain other Israeli legal matters will be passed upon for us by Goldfarb Gross Seligman & Co. Certain legal matters relating to U.S. law will be passed upon for us by Honigman LLP.

EXPERTS

The consolidated financial statements of HUB Cyber Security Ltd. at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, appearing in this Prospectus and Registration Statement have been audited by Kost, Forer, Gabbay & Kasierer, a member of EY Global, independent registered public accounting firm, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1e to the consolidated financial statements), appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in this prospectus, substantially all of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and the majority of our directors and officers are located outside the United States, any judgment obtained in the United States against us or any of our directors and officers may not be collectible within the United States.

We have irrevocably appointed Puglisi & Associates, Inc., as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of the Transactions. The address of Puglisi & Associates is 850 Library Avenue, Newark, Delaware 19711.

It may be difficult to initiate an action with respect to U.S. securities law in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum to hear 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 by expert witnesses which can be a time-consuming and costly process. Certain matters of procedure may also be governed by Israeli law.

Subject to certain time limitations and legal procedures, Israeli courts may enforce a U.S. judgment in a civil matter which, subject to certain exceptions, is non-appealable, including judgments based upon the civil liability provisions of the Securities Act and the Exchange Act and including a monetary or compensatory judgment in a non-civil matter, provided that:

- the judgment was rendered by a court which was, according to the laws of the state of the court, competent to render the judgment;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy; and
- the judgment is capable of being executed in the state in which it was given.

Even if these conditions are met, an Israeli court may not declare a foreign civil judgment enforceable if:

- the judgment was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases);
- the enforcement of the judgment is likely to prejudice the sovereignty or security of the State of Israel;
- the judgment was obtained by fraud;
- the opportunity given to the defendant to bring its arguments and evidence before the court was not reasonable in the opinion of the Israeli court;
- the judgment was rendered by a court not competent to render it according to the laws of private international law as they apply in Israel;
- the judgment is contradictory to another judgment that was given in the same matter between the same parties and that is still valid; or
- at the time the action was brought in the foreign court, a lawsuit in the same matter and between the same parties was pending before a court or tribunal in Israel.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the Israeli consumer price index plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors must bear the risk of unfavorable exchange rates. In addition, there is no bilateral treaty between Israel and the United States for the enforcement of civil judgments.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form F-1 to register the resale of the securities described elsewhere in this prospectus. This prospectus is a part of that registration statement. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement and the exhibits and schedules for more information about us and our securities.

Information and statements contained in this prospectus or any annex to this prospectus are qualified in all respects by reference to the copy of the relevant contract or other annex filed as an exhibit to the registration statement of which this prospectus forms a part.

Statements made in this prospectus concerning the contents of any contract, agreement or other document are not complete descriptions of all terms of these documents. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed for a complete description of its terms. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus is a part in their entirety.

We are subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We are a “foreign private issuer” as defined in Rule 3b-4 under the Securities Exchange Act of 1934, or the Exchange Act. As a result, our proxy solicitations are not subject to the disclosure and procedural requirements of Regulation 14A under the Exchange Act and transactions in our equity securities by our officers and directors are exempt from Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. We publish annually an annual report filed on Form 20-F containing financial statements that have been examined and reported on, with an opinion expressed by, a registered public accounting firm. We prepare our annual financial statements in United States dollars and in accordance with IFRS. If there is any inconsistency between the information in this prospectus and in any post-effective amendment to the Form F-1 of which this prospectus is a part, or in any prospectus supplement, you should rely on the information in the post-effective amendment or prospectus supplement, as relevant. You should read this prospectus and any post-effective amendment or prospectus supplement together with the additional information contained in documents listed above in this section. The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us, the securities offered under this prospectus, and our other outstanding securities. The registration statement, including the exhibits, can be read at the SEC’s website or at the SEC’s offices mentioned above in this section.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all the information that has been incorporated by reference in this prospectus but not delivered with this prospectus (and any exhibits specifically incorporated in such information), at no cost, upon written or oral request to us at the following address:

HUB Cyber Security Ltd.

Attention: Chief Legal Officer
2 Kaplan Street
Tel Aviv, Israel 6473403
Israel

You may also obtain information about us by visiting our website at www.hubsecurity.com. Information contained in our website is not part of this prospectus.

We have not authorized anyone to give any information or make any representation about their companies that is different from, or in addition to, that contained in this prospectus or in any of the materials that have been incorporated in this prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this prospectus or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus does not extend to you. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. You should read all information supplementing this prospectus.

HUB CYBER SECURITY LTD.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024

INDEX

	Page
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID:1281)</u>	F-2
<u>Consolidated Statements of Financial Position</u>	F-3 - F-4
<u>Consolidated Statements of Profit or (Loss)</u>	F-5
<u>Consolidated Statements of Comprehensive Income (Loss)</u>	F-6
<u>Consolidated Statements of Changes in Equity (Deficit)</u>	F-7 – F-9
<u>Consolidated Statements of Cash Flows</u>	F-10 – F-11
<u>Notes to Consolidated Financial Statements</u>	F - 12 – F-82



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of

HUB CYBER SECURITY LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of the financial position of Hub Cyber Security Ltd. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of profit or loss, comprehensive income (loss), changes in equity (deficit) and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

The Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1e, to the financial statements, as of December 31, 2024, the Company has incurred accumulated losses in the amount of \$226,245 thousand, has negative working capital in the amount of \$87,672 thousand, has not complied with certain covenants of a loan agreement with a bank, is currently in default on covenants and payments required under other debt facilities it currently has outstanding, has net cash used from operating activities in the amount of \$17,110 thousand for the year ended on December 31, 2024, 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 1e. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KOST FORER GABBAY & KASIERER

A Member of EY Global

We have served as the Company’s auditor since 2021.

Tel-Aviv, Israel

April 30, 2025

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

USD in thousands

		December 31,	
	Note	2024	2023
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6	3,085	3,522
Restricted cash and bank deposit		528	1,637
Trade receivables, net	7	7,897	9,867
Other assets	8	6,892	5,083
		18,402	20,109
NON-CURRENT ASSETS:			
Long-term receivables	26	-	725
Long-term restricted deposit		165	151
Long-term deposit		-	177
Property and equipment, net	10	487	1,035
Right-of-use assets	9	2,151	2,510
Goodwill	11	1,874	2,467
Intangible assets, net	11	4,337	5,416
		9,014	12,481
		27,416	32,590

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

USD in thousands

		December 31,	
	Note	2024	2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term loans	13	13,534	11,878
Convertible loans	17	24,763	14,449
Trade payables	14	8,200	9,867
Current maturities of lease liabilities	9	975	733
Current maturities of other liabilities	11c	5,244	5,078
Warrants liabilities*	17	13,884	6,047
Other accounts payable	15	39,474	32,427
		<u>106,074</u>	<u>80,479</u>
NON-CURRENT LIABILITIES:			
Long-term liabilities	16a	217	147
Lease liabilities	9	1,212	1,712
Deferred tax liabilities	25	79	116
Net employee defined benefit liabilities	19	651	869
		<u>2,159</u>	<u>2,844</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital and premium	20	117,247	103,386
Share options		10,918	10,918
Treasury shares		(1,230)	(1,230)
Other reserves		18,523	19,905
Accumulated deficit		(226,245)	(186,488)
		<u>(80,787)</u>	<u>(53,509)</u>
Non-controlling interests		(30)	2,776
Total shareholders' equity (deficit)		<u>(80,817)</u>	<u>(50,733)</u>
		<u>27,416</u>	<u>32,590</u>

* Reclassified refer to note 4(a)(1) for further information.

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,		
		2024	2023	2022
Revenues		29,562	42,657	50,002
Cost of revenues	24a	24,515	41,907	45,914
Gross profit		5,047	750	4,088
Research and development expenses, net	24b	2,002	5,886	5,574
Sales and marketing expenses	24c	5,457	10,694	21,674
General and administrative expenses (*)	24d	23,630	49,172	57,271
Other expenses, net	24e	181	12,723	-
Operating loss		(26,223)	(77,725)	(80,430)
Finance income	24f	(2,220)	(484)	(469)
Finance expenses	24f	12,586	7,194	1,384
Loss before taxes on income		(36,589)	(84,435)	(81,345)
Taxes on income (tax benefit)	25	557	171	(776)
Net loss from continuing operation		(37,146)	(84,606)	(80,569)
Net income (loss) from discontinued operation		(1,885)	(2,030)	569
Attributable to:				
Equity holders of the Company		(39,757)	(87,446)	(81,595)
Non-controlling interests		726	810	1,595
		(39,031)	(86,636)	(80,000)
Net loss per share attributable to equity holders of the Company (\$):	26			
Basic and diluted net loss per share from continuing operation		\$ (14.3)	\$ (88.2)**	\$ (93.8)**
Basic and diluted net profit (loss) per share from discontinued operation		\$ (0.7)	\$ (2.1)**	\$ 0.7**
Weighted average number of shares outstanding used in computation of basic and diluted loss per share		2,645,478	968,600**	852,887**

*) Including \$525 of allegedly misappropriated expenses by two former senior officers of the Company, during the year 2022. See note 26(4) below.

**) Shares and per share amounts have been retroactively adjusted to reflect the reverse share splits at a ratio of 1:10 in December 2023 and 1:10 in March 2025.

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

USD in thousands

	Note	Year ended December 31,		
		2024	2023	2022
		USD in thousands		
Net loss from continuing operation		(37,146)	(84,606)	(80,569)
Net (loss) profit from discontinued operation		(1,885)	(2,030)	569
Other comprehensive loss, net of taxes:				
Amounts that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) from defined benefit plan		168	92	(121)
Foreign currency translation from functional currency to presentation currency		(242)	(940)	(5,473)
Total other comprehensive loss		(74)	(848)	(5,594)
Total comprehensive loss		(39,105)	(87,484)	(85,594)
Attributable to:				
Equity holders of the Company		(39,781)	(88,232)	(87,095)
Non-controlling interests		676	748	1,501
		(39,105)	(87,484)	(85,594)

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN 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 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 CHANGES IN EQUITY (DEFICIT)

USD in thousands

	Attributable to equity holders of the Company										
	Share capital and premium	Treasury shares	Share options	Warrants payable	Reserve for share-based payment transactions	Reserve for remeasurement of defined benefit plan	Foreign currency translation adjustments	Accumulated deficit	Total	Non-controlling interests	Total Shareholders' equity
Balance as of January 1, 2022	70,762	(1,230)	1,102	-	9,574	(608)	2,634	(17,447)	64,787	991	65,778
Total loss	-	-	-	-	-	-	-	(81,595)	(81,595)	1,595	(80,000)
Other comprehensive loss	-	-	-	-	-	(154)	(5,346)	-	(5,500)	(94)	(5,594)
Total comprehensive loss	-	-	-	-	-	(154)	(5,346)	(81,595)	(87,095)	1,501	(85,594)
Warrants exercise	451	-	-	-	(81)	-	-	-	370	-	370
Options exercise	2,553	-	-	-	(1,837)	-	-	-	716	-	716
Extension of options to equity holders of the Company (Note 18f)	(5,102)	-	5,102	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(95)	(95)
Issuance of shares and options, net of issuance expenses (Note 20)	12,956	-	4,087	76	-	-	-	-	17,119	-	17,119
Cost of share-based payment	-	-	-	-	10,516	-	-	-	10,516	-	10,516
Balance as of December 31, 2022	81,620	(1,230)	10,291	76	18,172	(762)	(2,712)	(99,042)	6,413	2,397	8,810

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

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

USD in thousands

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
<u>Cash flows from operating activities:</u>			
Net loss	(39,031)	(86,636)	(80,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Finance expenses, net	1,231	13	896
Other expenses	445	192	-
Financial liabilities recorded as listing expenses	-	7,648	-
Finance expenses related to convertible loans and warrants	7,227	5,016	-
Revaluation of liability to Legacy	267	810	-
ELOC	-	1,570	-
Share listing expenses	-	12,312	-
Issuance of shares to consultants	2,420	-	-
Depreciation and amortization	2,379	7,637	7,791
Impairment of goodwill and intangible assets	653	15,258	23,356
Change in employee benefit liabilities, net	(42)	(43)	(364)
Change in deferred tax liabilities	(37)	(39)	(1,059)
Cost of share-based payment	2,070	7,115	10,516
	16,615	57,489	41,136
Changes in asset and liability items:			
Decrease (increase) in trade receivables	1,890	13,242	(1,453)
Decrease (increase) in other assets	665	(4,730)	2,462
Increase (decrease) in trade payables	(1,591)	(3,436)	544
Decrease (increase) in inventories	-	1,812	(288)
Change in balances of government grants	70	(824)	-
Increase in other accounts payable	7,776	7,980	15,216
	8,810	14,044	16,481
<u>Cash paid and received during the year for:</u>			
Interest paid,net	(277)	(717)	(806)
Taxes paid	(3,227)	(382)	(243)
	(3,504)	(1,099)	(1,049)
Net cash used in operating activities	(17,110)	(16,202)	(23,432)

HUB CYBER SECURITY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

USD in thousands

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
<u>Cash flows from investing activities:</u>			
Investment in restricted bank deposit	-	-	(660)
Withdrawal from restricted bank deposit	1,407	3,926	-
(Investment in) restricted cash	(337)	(1,493)	140
Change in long-term deposits	177	-	-
Purchase of property and equipment	(84)	(297)	(624)
Assets acquisition	-	-	(5,405)
Credit line to a related party	(1,615)	-	-
Net cash provided by (used in) investing activities	(452)	2,136	(6,549)
<u>Cash flows from financing activities:</u>			
Issuance of ordinary shares, net of issuance expenses	-	2,379	18,836
Short-term loans, net	-	-	1,780
Repayment of lease liabilities	(1,017)	(1,711)	(2,065)
Receipt on account of issuance of shares	-	-	2,251
Dividend distribution to non-controlling interests	-	-	(95)
Exercise of options and warrants	5,146	2,005	1,086
Government grants	-	-	77
Receipt of short-term loans	19,815	15,227	-
Acquisition of non-controlling interest	(6,768)	-	-
Repayment of short-term loans	-	(4,973)	(1,210)
Net cash provided by financing activities	17,176	12,927	20,660
Exchange rate differences on cash and cash equivalents	(51)	667	(659)
(decrease) in cash and cash equivalents	(437)	(472)	(9,980)
Cash and cash equivalents at the beginning of the year	3,522	3,994	13,974
Cash and cash equivalents at the end of the year	3,085	3,522	3,994
<u>Non-cash transactions:</u>			
Right-of-use asset and liability	627	(2,516)	1,306
Assets acquisition	-	-	4,796
Employee benefit assets and liabilities	168	97	121
Reclassification of deferred issuance cost to equity	-	1,384	1,717
Dividend distribution to non-controlling interests	-	369	-
Reclassification of liability to equity	2,670	-	-
Conversion of convertible loans	7,876	6,143	-

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

NOTE 1:- GENERAL

a. Operation

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 Tel Aviv, Israel. The Company and its subsidiaries (collectively, “the Group”) are engaged in developing reliable quality assurance systems that support process and product enhancement. The Group’s main customers are organizations and institutions operating in the security, electronics, aviation, telecommunications, banking, and other sectors in Israel and worldwide. Following the merger between the Company and HUB Cyber Security TLV Ltd, the Company also operates in the Confidential Computing and network security industry.

The Company’s ordinary shares began trading on 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.

On May 20, 2024, the Company received a letter from the Nasdaq Stock Market (“Nasdaq”) regarding the Company’s failure to timely file its Annual Report on Form 20-F for the fiscal year ended December 31, 2023 (the “Form 20-F”) with the Securities and Exchange Commission (the “SEC”), as required by Nasdaq Listing Rule 5250(c)(1) (the “Filing Requirement”). On July 19, 2024 the Company responded to the aforementioned letter from Nasdaq, stating its intention to comply with the Filing Requirement, and asked for an extension. On July 30, 2024 the Company received a reply from Nasdaq, granting its request for an extension to comply with the Filing Requirement until August 19, 2024. The Form 20-F, including the Company’s consolidated financial statements for the fiscal year ended December 31, 2023, was filed with the SEC on August 16, 2024.

On July 16, 2024, the Company received a deficiency notice from Nasdaq informing us 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 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 Nasdaq 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 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, the Company requested a hearing before the Panel. On January 14, 2025, the Company received a notice from Nasdaq that it did not regain compliance with the Minimum Bid Price Requirement prior to January 13, 2025 and that such failure to regain compliance with the Minimum Bid Price Requirement served as an additional basis for delisting of its securities from the Nasdaq Global Market. The hearing before the Panel was held on February 6, 2025.

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 February 26, 2025, the Staff confirmed to the Company via email that it had regained compliance with the MVLS Rules.

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

b. 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.

c. 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.

NOTE 1:- GENERAL (Cont.)

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, and 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. As a result of the February 2023 Share Split, the ordinary shares, options 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 February 2023 Share Split had been in effect as of the date of these consolidated financial statements. Please refer to Note 20a.

The Transactions were accounted for as a reverse recapitalization, in accordance with the relevant International Financial Reporting Standards ("IFRS") 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 thousands at the closing of the Merger Agreement that was calculated based on the excess of the fair value of the Company issued to public investors over the fair value of the identifiable net assets of RNER that were acquired. For more details, please refer to Note 5.

d. Credit line to a related party

During 2024 and 2023, the Company has provided Blackswan Technologies, Inc. ("BST"), a related party, an aggregated amount of \$2,662 thousand under the BST Loan Agreement (as defined below). For additional information, please refer to Note 26.

e. Going Concern

The Company's financial statements have been prepared on a basis that assumes that it will continue as a going concern and the ordinary course of business will continue in alignment with management's 2025-2026 business plan. However, the Company still faces significant uncertainty regarding the adequacy of its liquidity and capital resources and its ability to repay its obligations as they become due.

The Company's management is closely monitoring the situation and has been attempting to alleviate the liquidity and capital resources concerns through interim financing facilities and other capital raising efforts. However, such efforts remain uncertain and are predicated upon events and circumstances which are outside the Company's control.

As of December 31, 2024, the Company has incurred accumulated losses in the amount of \$226,245 thousand, and had a negative working capital in the amount of \$87,672 thousand. Also, for the year ended December 31, 2024 the Company used \$17,110 thousand in operating activities. The Company expects to continue to incur losses in 2025 and potentially thereafter as well. On December 31, 2024, the Company's cash and cash equivalents position is not sufficient to fund the Company's planned operations for at least a year beyond the date of the filing date of the consolidated financial statements and the Company requires an immediate cash injection to fund its operations. Furthermore, there are several legal claims against the Company, for addition information refer Note 22c. Those factors raise substantial doubts about the Company's ability to continue as a going concern.

In 2024 and also in the beginning of 2025, the Company undertook efforts to renegotiate with key creditors and loan agreements. For more details, please refer to Note 28.

The consolidated financial statements for the year ended December 31, 2024 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.

NOTE 1:- GENERAL (Cont.)

f. Internal investigation

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

Additionally, the Special Committee believed that it found sufficient evidence to determine that, one of the controllers of the Company, with the permission of the Company's former CEO, used Company credit cards for personal use in the amount of approximately NIS 400 thousand (approximately \$110 thousand). These personal expenses were neither factored into the controller's payroll nor properly documented in the Company's financial books and records. Additionally, the Company's former CEO approved a bonus of NIS 250 thousand to the controller. However, this bonus was not paid to the controller but instead was paid to a third-party at the controller's direction. Prior to the commencement of legal proceedings, the Company reached a settlement with the controller whereby the amount of the bonus in the amount of NIS 250 thousand plus VAT was repaid to the Company in 2023. The Internal Investigation is complete, although the Company aims to continue pursuing recovery of the misappropriated funds. These events regarding the Special Committee and Internal Investigation are the subject of possible regulatory review and expose the Company and its directors and officers to possible investigations and possible enforcement actions by regulators both in Israel and the United States, including the Israel Securities Authority ("ISA"), Israel Tax Authority, U.S. Securities and Exchange Commission ("SEC"), the Nasdaq Stock Market LLC ("Nasdaq") and/or U.S. Department of Justice ("DOJ"). The Company has provided certain information and documentation to certain regulatory authorities and is prepared to respond to any regulatory inquiry it may receive. The Company's management and its board of directors do not currently believe there are any impacts on the Company's financial statements. If the Company were to be subject to an investigation or enforcement action from a regulatory agency it could have a material adverse effect on the Company's business, financial position and results of operations.

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

The Special Committee is neither a civil nor criminal court of law and no court has yet substantiated the findings of the Special Committee. It is possible that a court of law may find differently than the Special Committee has, which could expose the Company to counterclaims from the Former Senior Officer, the former Chief of Staff or others. Additionally, while the Company has informed the Former Senior Officer that he has been summarily dismissed as an employee and has commenced a legal action in Israel against the former Chief of Staff to omitted her requests for severance payments in accordance with Israeli law, there can be no assurance that the Former Senior Officer, the former Chief of Staff or others will not bring forth any claims or commence any litigation against the Company in connection with the former Senior Officer dismissal, the Company's challenging the former Chief of Staff severance payments or the publication of the Special Committee's findings from the Internal Investigation.

As of December 31, 2024, following the completion of the Internal Investigation as described above, the Company has commenced legal actions in Israel against the Company's former Chief of Staff and against the Company's former CEO to dispute their requests for severance payments in accordance with Israeli law. Two actions were undertaken against the Company's former Chief of Staff. In the initial action, the court granted an injunction preventing her from accessing her accumulated severance package. In the second action, it was requested that the court order that these sums be returned to the Company. In the action against the Company's former CEO, the court was requested to grant an injunction against accessing the accumulated severance package and to order the return of the sums to the Company. These actions are time limited, so the initial action against the Company's former Chief of Staff was initiated prior to the completion of the Special Committee Report and as such was based upon the limited information known at that time. The preliminary hearing in both of these cases is set for the coming months and both will be heard in front of the same judge who granted the injunction against the Company's former Chief of Staff. For a full description of the claims currently being conducted against the Company's former Chief of Staff and against the Company's former CEO, please refer to Note 22C below.

NOTE 1:- GENERAL (Cont.)

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

Further, the Company incurred substantial costs and diverted management resources in connection with the Internal Investigation. The Company may also incur material costs associated with the indemnification arrangements with the current and former directors and certain of the Company's officers, as well as other indemnitees related to law suits or regulatory proceedings that have arisen and may arise in the future from the Internal Investigation.

Since the completion of the Internal Investigation, the Company performed a rehaul of its top management and executive officers, in addition to enacting and enforcing tougher anti-fraud and anti-corruption policies, oversight, reviews and checks. Substantially 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. The Company assumes that 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.

- g. Israel Securities Authority and the Israel Tax Authority – On September 17, 2024, the Israel Securities Authority 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 conducted by the special committee appointed by the Company's board of directors in April 2023. 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.

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.

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 please refer to Note 23(b).

- 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.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

Business combinations are accounted for by applying the acquisition method. The cost of the acquisition is measured at the fair value of the consideration transferred on the acquisition date with the addition of non-controlling interests in the acquiree. In each business combination, the Company chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the acquisition date or at their proportionate share in the fair value of the acquiree's net identifiable assets.

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"), 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.

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.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

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.

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.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

h. Intangible assets:

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, are recognized in profit or loss when incurred.

Intangible assets with a finite useful life are amortized over their useful life on a straight-line basis and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Patents:

The patents are for a period of ten years with an option for renewal at the end of the period.

The useful life of intangible assets is as follows:

	Years
Patents	10
Customer relations	3.5 – 10
Order backlog	1
Technology	2 – 4

Gains or losses from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the cost of the asset and carried to profit or loss.

i. Impairment of non-financial assets:

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount.

The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

A reversal of an impairment loss for each cash generating unit shall be allocated to the assets of the unit, except for goodwill, pro rata with the carrying amount to each of the assets within the measurement scope of IAS 36. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

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.

2. Derecognition of financial liabilities:

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

When there is a modification in the terms of an existing financial liability, the Company evaluates whether the modification is substantial.

If the terms of an existing financial liability are substantially modified, such modification is accounted for as an extinguishment of the original liability and the recognition of a new liability. The difference between the carrying amounts of the above liabilities is recognized in profit or loss.

If the modification is not substantial, the Company recalculates the carrying amount of the liability by discounting the revised cash flows at the original effective interest rate and any resulting difference is recognized in profit or loss.

When evaluating whether the modification in the terms of an existing liability is substantial, the Company considers both quantitative and qualitative factors.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

3. Warrants to ordinary shares:

According to IAS 32, “Financial Instruments: Presentation”, derivatives which will be settled only by the issuer exchanging fixed amounts of cash to fixed numbers of the Company’s ordinary shares will be classified as equity. Otherwise, the instrument should be classified as a financial liability. Therefore, the Group has classified such warrants as a financial liability. The warrant instrument is initially recognized at fair value, and subsequently measured at fair value. Changes in fair value are recognized in profit or loss. When the fair value of the identified financial instruments measured at 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).

l. Provisions:

A provision in accordance with IAS 37 is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense is recognized in the statement of profit or loss net of any reimbursement.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

Following are the type of provisions included in the financial statements:

A provision for claims is recognized when the Group has a present legal or constructive obligation as a result of a past event, that it is more likely than not that an outflow of resources embodying economic benefits will be required by the Group to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m. Employee benefit liabilities:

The Group has several employee benefit plans:

1. Short-term employee benefits:

Short-term employee benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognized as expenses as the services are rendered. A liability in respect of a cash bonus is recognized when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

2. Post-employment benefits:

The plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans.

The Group has defined contribution plans pursuant to section 14 to the Severance Pay Law under which the Group usually pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense when contributed concurrently with performance of the employee's services.

The Group also operates a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law. According to the Law, employees are entitled to severance pay upon dismissal or retirement. The liability for termination of employment is measured using the projected unit credit method. The actuarial assumptions include expected salary increases and rates of employee turnover based on the estimated timing of payment. The amounts are presented based on discounted expected future cash flows using a discount rate determined by reference to market yields at the reporting date on high quality corporate bonds that are linked to the Consumer Price Index with a term that is consistent with the estimated term of the severance pay obligation.

In respect of its severance pay obligation to certain of its employees, the Company usually makes current deposits in severance pay funds and insurance companies ("the plan assets"). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Group's own creditors and cannot be returned directly to the Group.

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, 2024, December 31, 2023, December 31, 2022 no account was taken of the potential dilution that could occur upon the exercise of employee and investors stock options, amounting to 3,273,013, 669,264 and 274,000 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. See more information in Note 21 above.

- Impairment of other intangible assets

The carrying values of the long-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. If any indication exists, then the asset's recoverable amount is estimated. Determining the recoverable amount is subjective and requires management to estimate future growth, profitability, discount and terminal growth rates, and project future cash flows, among other factors. Future events and changing market conditions may impact the assumptions as to prices, costs or other factors that may result in changes to the estimates of future cash flows. If the Company concludes that a definite or indefinite long-lived intangible asset is impaired, the company recognize a loss in an amount equal to the excess of the carrying value of the asset over its fair value at the date of impairment.

The fair value at the date of the impairment becomes the new cost basis and will result in a lower depreciation expense than for periods before the asset's impairment.

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

- 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.

NOTE 4 – DISCLOSURE OF NEW STANDARDS IN THE PERIOD

1. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards:

a) Amendment to IAS 1, "Presentation of Financial Statements":

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" regarding the criteria for determining the classification of liabilities as current or non-current ("the Original Amendment"). In October 2022, the IASB issued a subsequent amendment ("the Subsequent Amendment").

According to the Subsequent Amendment:

- Only financial covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.
- In respect of a liability for which compliance with financial covenants is to be evaluated within twelve months from the reporting date, disclosure is required to enable users of the financial statements to assess the risks related to that liability. The Subsequent Amendment requires disclosure of the carrying amount of the liability, information about the financial covenants, and the facts and circumstances at the end of the reporting period that could result in the conclusion that the entity may have difficulty in complying with the financial covenants.

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.

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

The Amendments did not have 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.

b) Amendment to IFRS 16, "Leases":

In September 2022, the IASB issued an amendment to IFRS 16, "Leases" ("the Amendment"), which provides guidance on how a seller-lessee should measure the lease liability arising in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The seller-lessee has to choose between two accounting policies for measuring the lease liability on the inception date of the lease. The accounting policy chosen must be applied consistently.

The Amendment is applicable for annual periods beginning on or after January 1, 2024. Early adoption is permitted. The Amendment is to be applied retrospectively.

The application of the Amendment did not have a material impact on the Company's consolidated financial statements.

c) Amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments: Disclosures":

In May 2023, the IASB issued amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments: Disclosures" ("the Amendments") to address the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements.

The disclosure requirements in the Amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The application of the Amendment did not have a material impact on the Company's consolidated financial statements.

2. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards in the period prior to their adoption:

a) 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.

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

The Amendments apply for annual reporting periods beginning on or after January 1, 2025. The Company believes that the amendments are not expected to have a material impact on its consolidated financial statements.

b) IFRS 18 “Presentation and Disclosure in Financial Statements” (IFRS 18)

IFRS 18 replaces IAS 1 “Presentation of Financial Statements”. The main changes in the new standard are as below:

- i. Improved comparability in the statement of profit or loss. *IFRS 18* requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.
- ii. Enhanced transparency of management-defined performance measures. *IFRS 18* requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.
- iii. Useful grouping of information in the financial statements. *IFRS 18* sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. *IFRS 18* also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

The Amendments apply for annual reporting periods beginning on or after January 1, 2027. Earlier adoption is permitted. The Company is still evaluating the effect of this amendment on its consolidated financial statements.

NOTE 5 – MERGER AGREEMENT WITH SPECIAL PURPOSE ACQUISITION COMPANY (“SPAC”)

On March 22, 2022, the Company’s board 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 RNER. (“REN”), 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 chief executive officer serves as a managing partner, and Oppenheimer & Co. Inc. (“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 Mount Rainier and with the PIPE investors (as defined below), including share options and potential free cash flows of up to approximately \$225,000 thousand in the merged company (insofar as none of the SPAC shareholders redeem their investment before the merger transaction closing in keeping with their rights, see further details below).

In connection with the merger transaction, qualifying Israeli and U.S. institutional investors (“the PIPE investors”) engaged to invest \$50,000 thousand based on the merger company’s agreed value as described above (in a private placement) to be invested in the Company at closing.

On January 11, 2023 the Company announced that all the suspending conditions for the merger transaction have been met and the completion of the merger transaction was subject only to the absence of a legal impediment. Shortly before the closing date of merger transaction, the Company affected a reverse share split to cause the value of the outstanding ordinary shares immediately prior to the transaction closing date to be equal to \$10 per share (pre reverse stock split of 1:10).

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

The Company’s shares began trading on Nasdaq on March 1, 2023.

99% of the shareholders entitled to withdraw their investment of \$175,000 thousand elected to redeem their investment upon the approval of the merger.

In March 2023, the Company raised \$4,000 thousand from two of the PIPE investors, and, while the Company is considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain if the Company will be able to receive the remaining PIPE funds. As of December 31, 2022, the Company recorded \$872 thousand as advance issuance expense, which were classified in 2023 to premium.

In December 2021, the Company entered into an agreement with Oppenheimer 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 \$12,800 thousand.

On June 12, 2023 a lawsuit was filed by Oppenheimer against the Company alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit in connection with investment banking advice and services provided by Oppenheimer in connection with the Company’s Reverse Recapitalization with Mount Rainier Acquisition Corp. During the beginning of 2025, the parties agreed to a settlement. For additional information, refer to Note 22(c).

The Transactions were accounted for as a reverse recapitalization, in accordance with the relevant “IFRS” and the Group was deemed to be the accounting acquirer. RNER did not meet the definition of a business in accordance with IFRS 3 - “Business Combinations”, and the Transactions were instead accounted for within the scope of IFRS 2 - “Share-based payment” (“IFRS 2”), as a share-based payment transaction in exchange for a public listing service. In accordance with IFRS 2, the Company recorded a one-time share-based Share listing expense of \$12,312 thousand at the closing of the Reverse Recapitalization that was calculated based on the excess of the fair value of the Company issued to public investors over the fair value of the identifiable net assets of RNER that were acquired:

	Amount	Number of shares*)
	USD in thousands except to share amount	
Shares issued to RNER shareholders		45,332
Closing price of the Company’s share on Nasdaq as of March 1, 2023 (\$)	159	
(A) Fair value of the Company’s shares issued to RNER shareholders	7,208	
Public Warrants issued to RNER shareholders		155,078
Closing price of the Company’s warrants on Nasdaq as of March 1, 2023 (\$)	17	
Private Warrants issued to RNER shareholders		5,360
Fair Value of the Company’s warrants on as of March 1, 2023 (\$)	13.3	
(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.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CASH AND CASH EQUIVALENTS

	December 31,	
	2024	2023
	USD in thousands	
Cash and cash equivalents in NIS	858	3,201
Cash and cash equivalents in USD	2,213	227
Cash and cash equivalents in Euro	12	2
Cash and cash equivalents in other currency	2	92
	3,085	3,522

NOTE 7 – TRADE RECEIVABLES, NET

	December 31,	
	2024	2023
	USD in thousands	
Account receivable	8,325	10,051
Unbilled receivable	768	902
Checks collectible	29	27
Allowance for doubtful debt	(1,225)	(1,113)
Trade receivables, net	7,897	9,867

The Company grants its customers interest-free credit for an average period of 90 days. Impaired debts are accounted for through recording an allowance for doubtful accounts.

The Company policy is to accrue a provision of 5% out of overdue debts in a period greater than 120 days.

For debts greater than 364 days a specific provision will accrue in full.

Following is information about the credit risk exposure of the Company's trade receivables:

	Past due trade receivables						Total
	Not past due	< 30 days	31-60 days	60-90 days	90-120 days	>120 days	
	USD in thousands						
Trade receivables before allowance for doubtful accounts	4,897*	168	111	50	10	3,886	9,122
Allowance for doubtful accounts	-	-	-	-	-	1,225	1,225
December 31, 2024	4,897	168	111	50	10	2,661	7,897
December 31, 2023	4,349	1,838	1,341	989	520	830	9,779

(*) Includes unbilled account receivables balance

NOTE 8 – OTHER ASSETS

	December 31,	
	2024	2023
	USD in thousands	
Government authorities	1,934	1,604
Prepaid expenses	1,128	1,483
Grants receivables (1)	-	1,159
Other assets (2)	3,830	837
	6,892	5,083

(1) In November 2023, the Company has been granted \$1,159 thousand in war grants associated with Israel-Hamas war.

(2) Refer to 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,		
	2024	2023	2022
	USD in thousands		
Interest expense on lease liabilities	193	181	258
Total cash outflow for leases	1,017	1,711	2,240

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).

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – LEASES (Cont.)

c. Disclosures in respect of right-of-use assets, net:

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

NOTE 9 – LEASES (Cont.)

2023

	Office lease	Motor Vehicles	Total
	USD in thousands		
Cost:			
Balance as of January 1, 2023	7,231	1,794	9,025
Additions during the year:			
New leases	-	643	643
Terminated lease	(2,961)	(80)	(3,041)
Classification	-	71	71
Adjustments arising from indexation	137	-	137
Other	(19)	-	(19)
Adjustments arising from translating financial statements from functional currency to presentation currency	(264)	(10)	(274)
Balance as of December 31, 2023	4,124	2,418	6,542
Accumulated depreciation:			
Balance as of January 1, 2023	1,528	990	2,518
Additions during the year:			
Depreciation in the year	1,033	530	1,563
Adjustments arising from translating financial statements from functional currency to presentation currency	(29)	(20)	(49)
Balance as of December 31, 2023	2,532	1,500	4,032
Depreciated cost as of December 31, 2023	1,591	918	2,510

- d. As 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 low value leases of office furniture. The Company applies the practical expedient in IFRS 16 in respect of these leases and recognizes lease payments as an expense using the straight-line method over the lease term.
- f. Lease commitments:

In May 2017, the Company entered into a lease of offices in an area of 1,600 sq.m. in the city of Or Yehuda, Israel. The lease is for a period of ten years with an option for extension by another five years. The monthly lease fees are approximately NIS 110 thousand (\$30 thousand), linked to the CPI of May 2017 with the addition of VAT. The lease period began on April 1, 2018.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10:- PROPERTY AND EQUIPMENT, NET

Composition and movement:

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

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

2023

	Motor vehicles	Office furniture and equipment	Computers and peripheral equipment	Leasehold improvements	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2023	197	235	798	598	1,828
Purchases in the year	-	8	251	38	297
Disposals during the year	(156)	-	-	(97)	(253)
Adjustments arising from translating financial statements from functional currency to presentation currency	(8)	(7)	(19)	(19)	(53)
Balance as of December 31, 2023	33	236	1,030	520	1,819
Accumulated depreciation:					
Balance as of January 1, 2023	53	89	296	76	514
Depreciation in the year	21	21	239	60	341
Disposals during the year	(43)	-	-	(18)	(61)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(2)	(5)	(2)	(10)
Balance as of December 31, 2023	30	108	530	116	784
Depreciated cost as of December 31, 2023	3	128	500	404	1,035

NOTE 11 – GOODWILL AND INTANGIBLE ASSETS, NET

a. As for charges, see Note 22a.

Composition and movement:

	Patents	Goodwill	Customer relations, order backlog	Technology (2)	Total
	USD in thousands				
Cost:					
Balance as of January 1, 2023	32	13,702	20,823	1,126	35,683
Impairment recognized in the year (1)	-	(10,643)	(4,615)	-	(15,258)
Adjustments arising from translating financial statements from functional currency to presentation currency	(1)	(592)	(613)	(34)	(1,240)
Balance as of December 31, 2023	31	2,467	15,595	1,092	19,185
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
Accumulated amortization:					
Balance as of January 1, 2023	9	-	5,113	661	5,783
Amortization recognized in the year (1)	9	-	5,278	446	5,733
Adjustments arising from translating financial statements from functional currency to presentation currency	*	-	(199)	(15)	(214)
Balance as of December 31, 2023	18	-	10,192	1,092	11,302
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
Net balance:					
As of December 31, 2024	6	1,874	4,331	-	6,211
As of December 31, 2023	13	2,467	5,403	-	7,883

*) Less than 1 thousand US dollars.

- 1) Customer relations, order backlog and brand amortization expenses are classified in the statement of profit or loss under sales and marketing expenses.
- 2) Technology and supplier relationships amortization expenses are classified in the statement of profit or loss under cost of sales expenses. Patents amortization expenses are classified in the statement of profit or loss under general and administrative expenses.

b. For the years ended December 31, 2024 and 2023, the criteria for recognition in intangible asset related to development have not been met and therefore all development costs have been recognized as an expense in profit or loss.

c. In May 2022, the Company entered into an Asset Purchase Agreement with Legacy Technologies GmbH (“Legacy”) a European cyber firm that has an extensive EMEA distribution network of cyber solutions for major government and enterprise data centers. The acquired assets were mainly comprised of customer relationships of Legacy. The asset acquisition was completed on July 5, 2022. The total consideration for the sale and transfer of the acquired assets was \$10,000 thousand in cash and additional contingent consideration of up to \$12,000 thousand in restricted share units (RSUs) of the Company subject to compliance of several milestones established in the agreement. Half of the cash consideration was paid at the contract closing and the other half was scheduled to be paid in accordance with the payment terms established in the agreement over 2.5 years. The RSUs were treated as post combination transaction (for further details, please refer to Note 21 – Share-Based Payment).

As of December 31, 2024 and 2023, \$5,244 thousand and \$5,078 thousand respectively, out of the remaining consideration liability are classified in the balance sheet under line-item Current maturities of other liabilities.

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

The transaction was analyzed in accordance with IFRS 3 – Business Combinations to first determine whether the acquired assets constitute a business. The Company had applied the concentration test. Based on the concentration test, substantially all of the fair value of the gross assets acquired is concentrated in the customer relationships. As a result, the transaction was treated as asset acquisition.

The following represented the fair value of the identifiable assets as of the acquisition date:

The purchase price allocation was as follows (in thousands):

Technology	500
Customer relationships	9,453
Total consideration	9,953

As of December 31, 2022, the Company identified indicators of impairment since no binding purchase orders had been signed nor significant progress had been made on the purchased customer relationships as was expected upon the purchase date. As a result, management determined that the assets acquired should be fully impaired. As such, for the year ended December 31, 2022, the Company recorded an impairment loss of \$8,738 thousand for the assets acquired from Legacy.

d. Impairment loss of goodwill and intangible assets with defined useful life

For annual impairment testing of goodwill and intangible assets with defined useful life the goodwill and other intangible assets of the Company were allocated to the operating segments which constitute three groups of cash generating units as follow:

- Comsec Consulting
- Professional Services
- Products And Technology

The carrying amount as of December 31, 2024 of the goodwill and the intangible assets which were allocated to each cash-generating unit:

	Professional Services	Consulting	Total
Patents	6	-	6
Goodwill	1,874	-	1,874
Customer relationship, Suppliers relationship and Backlog	924	3,407	4,331
Total	2,804	3,407	6,211

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

The Company performed its annual impairment tests in December 31, 2024 and 2023, respectively. The recoverable amount of each cash generating unit was assessed using the income approach model.

Products and Technology

The recoverable amount of the Products and Technology cash-generating unit (“CGU”) as of December 31, 2024 have been 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 cash-generating unit. 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 cash-generating unit was determined to be lower than their carrying amounts. Thus an impairment in the amount of \$ 571 thousand was recognized in Products and Technology Software CGU. The provision was recorded in impairment of goodwill and intangible assets expenses.

Professional Services

The recoverable amount of the Professional Services CGU as of December 31, 2024 have been 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 Professional Services cash-generating unit. 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 cash-generating unit was determined to be higher than their carrying amounts.

Consulting

The recoverable amount of the consulting a technology platform developed by the Company subsidiary, Comsec Ltd. (“Comsec”), CGUs as of December 31, 2024 have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 20% for both the Consulting and distribution and Dstorm cash-generating units. Cash flows beyond the five-year period are extrapolated using a 3% growth rate for both cash generating units. As a result of this analysis, the value in use of the Consulting and distribution and Dstorm cash-generating units were determined to be higher of their carrying amounts.

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 commercial difficulties, cessation of sales starting July 2023, layoffs and departures of employees so that starting from December 31, 2023 there are no employees in this activity.

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

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
Revenues from sales	-	5,459	29,741
Cost of sales	-	(5,931)	(27,383)
Gross profit (loss)	-	(472)	2,358
Sales and marketing expenses	-	351	1,126
General and administrative expenses	-	851	308
Operating income (loss)	-	(1,674)	924
Finance expenses, net	1,523	356	317
Income (loss) before taxes on income	(1,523)	(2,030)	607
Taxes on income	362	-	38
Income (loss) after taxes on income	(1,885)	(2,030)	569

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

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
Net cash provided by discontinued operating activities	995	1,917	1,867
Net cash provided by (used in) discontinued investing activities	-	(1,026)	949
Net cash used in discontinued financing activities	(1,015)	(1,375)	(2,429)
Total net cash provided by (used in) discontinued operation	(20)	(484)	387

NOTE 13 – SHORT-TERM LOANS

a. Composition:

	December 31,	
	2024	2023
	USD in thousands	
Short-term loan (1)-(13)	13,224	11,750
Accrued interest	310	128
	13,534	11,878

- 1) Loan received in July 2020, by Comsec Distribution (fully owned subsidiary), with an original principal amount of NIS 5,000 thousand (\$1,452 thousand) and repayable in 18 installments from January 2025. The loan bearing interest of Prime (Bank of Israel intrabank) + 1.5%. As of December 31, 2024 the remaining principal amount is \$627 thousand.
- 2) Loan received in September 2021, by Comsec (fully owned subsidiary), with an original principal amount of NIS 980 thousand (\$309 thousand) and repayable in 47 installments from February 2021. The loan bearing interest of Prime (Bank of Israel intrabank) + 1.5%. As of December 31, 2024 the remaining principal amount is \$53 thousand.
- 3) Loan received in September 2021, by Comsec (fully owned subsidiary), with an original principal amount of NIS 6,000 thousand (\$1,934 thousand) and repayable in two annual installments from September 2023. The loan bearing interest of Prime (Bank of Israel intrabank) + 1.95%. As of December 31, 2024 the remaining principal amount is \$877 thousand.
- 4) On-call loans received by Comsec, in an aggregate principal amount of NIS 34,106 thousand (\$9,692 thousand). The loan bearing interest of 8.1%. As of December 31, 2024 the remaining principal amount is \$4,527 thousand.
- 5) Loan received in May 2023, by Aginix Engineering and Project Management Ltd. ("Aginix"), a second-tier subsidiary, with an original principal amount of NIS 1,000 thousand (\$267 thousand) and repayable in 12 installments from June 2023. The loan bearing interest of 7.25%. As of December 31, 2024 the loan has been fully repaid.
- 6) 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 bearing interest of 7%. As of December 31, 2024 the remaining principal amount is \$195 thousand.
- 7) 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 bearing interest of 6.5%. As of December 31, 2024 the remaining principal amount is \$137 thousand.
- 8) Loan received in May 2023, by Qpoint Technologies Ltd. ("Qpoint"), with an original principal amount of NIS 1,700 thousand (\$469 thousand) and repayable in 12 installments from June 2023. The loan bearing interest of Prime + 1.1%. As of December 31, 2024 the loan has been fully repaid.
- 9) Loan received in May 2024, by Qpoint, with an original principal amount of NIS 1,200 thousand (\$321 thousand) and repayable in 12 installments from June 2024. The loan bearing interest of 7.10%. As of December 31, 2024 the remaining principal amount is \$240 thousand.

NOTE 13 – SHORT-TERM LOANS (Cont.)

- 10) On-call loans received by Qpoint, in an aggregate principal amount of NIS 6,300 thousand (\$1,703 thousand). The loan bearing interest of Prime + 1.1%. As of December 31, 2024 the remaining principal amount is \$521 thousand.
- 11) Loan received in February 2023, by HUB, 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 bearing interest of 12%. As of December 31, 2024 the remaining principal amount is \$961 thousand (including an interest of \$238 thousand). The Company did not meet the interest payments, therefore the loan is classified as short-term loan.
- 12) Loan received in February 2023, by HUB, in an aggregate principal amount of \$2,500 thousand upon closing of the Business Combination (the “Secured Promissory Note”). The Secured Promissory Note will bear interest at a rate of 10% per annum and is due on demand. The Company failed to meet the contractual terms of the Secured Promissory Note. As a result, the Company is required to pay Dominion Capital LLC and its affiliates (“Dominion”) an interest rate of 24% immediately. As of December 31, 2024 the remaining principal amount is \$3,715 thousand.
- Subsequent to December 31, 2024, the Company reached a settlement with Dominion. For more information please refer to Note 28(11).
- 13) In November 2024, the Company received from Claymore a loan the amount of \$500 thousand. The loan accrued interest at the rate of 10% of the principal amount and the interest rate will increase by 5% of the principal amount each week following December 15, 2024 until it is repaid. The loan is repayable upon the closing of the Company’s next financing.

Financial covenants:

In connection with bank loans whose balance as of December 31, 2024 approximates NIS 1,212 thousand (\$332 thousand), the subsidiary, Aginix, has undertaken towards the lending bank to meet the following financial covenants: the subsidiary’s adjusted equity will not be lower than NIS 500 thousand and its ratio to balance sheet will not be lower than 10%.

In connection with bank loans whose balance as of December 31, 2024 approximates NIS 22,187 thousand (\$6,129 thousand), the subsidiary, Comsec, has undertaken towards the lending bank to meet the following financial covenants: the subsidiary’s customer debt to on-call bank credit will not be lower than 1.2 and the ratio of long-term debt less cash to EBITDA will not be higher than 3.5 at all times.

As of December 31, 2024, the subsidiary, Comsec, has reached and signed a settlement agreement on the above mentioned bank facilities and as such all old financial covenants were dismissed.

- b. As for collaterals and charges, see Note 22a below.

NOTE 14 – TRADE PAYABLES

	December 31,	
	2024	2023
	USD in thousands	
Open debts	7,969	9,101
Checks payable	231	766
	8,200	9,867

Trade payables are non-interest bearing and are normally settled on average of 120-days terms.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 – OTHER ACCOUNTS PAYABLE

	December 31,	
	2024	2023
	USD in thousands	
Employees and payroll accruals	4,543	4,691
Accrued vacation pay	1,489	1,225
Government authorities	6,028	1,282
Accrued expenses	24,746	23,067
Current liability of government grants	270	265
Deferred revenues	680	1,205
Other	1,718	692
	<u>39,474</u>	<u>32,427</u>

NOTE 16 – LONG-TERM LIABILITIES

- a. Composition of other long-term liabilities:

December 31, 2024

	Effective interest rate	Balance	Balance less current maturities
	%	USD in thousands	
Liabilities for government grants	11.5	442	173

December 31, 2023

	Effective interest rate	Balance	Balance less current maturities
	%	USD in thousands	
Liabilities for government grants	11.5	412	147

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

Government grants:

	December 31,	
	2024	2023
	USD in thousands	
Balance as of January 1,	412	1,289
Grants received during the year	-	-
Liability revaluation	30	(877)
Balance as of December 31,	<u>442</u>	<u>412</u>

NOTE 16 – LONG-TERM LIABILITIES (Cont.)

Presented in the statement of financial position as follows:

	December 31,	
	2024	2023
	USD in thousands	
In current liabilities	270	265
In non-current liabilities	172	147
	\$ 442	\$ 412

Government grants:

The Company received from the Government of Israel grants for participation in research and development in return for the payment of royalties of 3.5% on sales of products resulting from the funded research and development up to 100% of the grants received.

The financial statements include the liability in the amount which management expects to repay the Israel Innovation Authority (“IIA”) within ten years, discounted at a rate of 11.5%.

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

December 31, 2024

	First year	Second year	Third year	Fourth year	Fifth year	Sixth year and onwards	Total
	USD in thousands						
Lease liabilities	975	740	408	64	-	-	2,187
Liabilities for government grants	270	27	24	22	20	79	442
Total	\$ 1,245	\$ 767	\$ 432	\$ 86	\$ 20	\$ 79	\$ 2,629

As of December 31, 2024, total grants received by HUB amount to \$973 thousand and no material amount was paid. No new grants were received during 2024.

As of December 31, 2024, total grants received by ALD Software Ltd. (“ALD Software”), amount to \$1,873 thousand and the total royalties paid were \$467 thousand.

NOTE 17 – FINANCIAL LIABILITIES

a. Convertible loans

1. On each of February 23, 2023, June 11, 2023 and July 7, 2023, the Company entered into Convertible Loan Agreements (together the “Shayna Loan Agreements”) with Shayna LP, a Cayman Islands company (“Shayna”), in the amounts of NIS 10,000 thousand (approximately \$2,800 thousand), NIS 5,000 thousand (approximately \$1,400 thousand) and NIS 1,850 thousand (approximately \$500 thousand) respectively (each a “Shayna Loan” and, together, the “Shayna Loans”). The Shayna Loans will not bear interest unless the Company defaults in making certain payments under the Shayna Loans. In the event that the Company defaults on certain payments under the Shayna Loans, then Shayna Loans will bear interest at an annual rate of 8% until paid in full.

Following an amendment that the Company entered into with Shayna on August 17, 2023, the Shayna Loans will each be convertible at the option of Shayna at a conversion price equal to a \$20.00 per ordinary share.

Under the first Shayna Loan Agreement, the Company agreed to issue to the Shayna warrants to purchase a number of ordinary shares, equal to an amount of shares converted by the Shayna (in the event that the Shayna elects to convert a portion of the first Shayna loan), at an exercise price equal to the conversion price determined pursuant to the first Shayna Loan Agreement, which is 35% lower than the average price of Company’s ordinary shares in the five trading days preceding a conversion notice. The warrants are exercisable for 36 months from the signing date of the first Shayna Loan Agreement. Under the second Shayna Loan Agreement, the exercise price was amended to be equal to the conversion rate under the second Shayna Loan Agreement, which is 40% lower than the average price of Company’s ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding the signing date of the second Shayna Loan Agreement, whichever is lower. The expiration date was also amended to be 24 months from the date of issuance of such warrant. Under the third Shayna Loan Agreement, the exercise price was changed to be equal to the conversion rate under the third Shayna Loan Agreement, which is: 40% lower than the average price of Company’s ordinary shares in the (a) five trading days preceding a conversion notice, or (b) the five trading days preceding July 8, 2023, whichever is lower.

Pursuant to the Shayna Loan Agreements, the Company agreed to file a registration statement on Form F-1 (the “Registration Statement”) to register (i) the shares issuable upon conversion of the Shayna Loans; (ii) any warrants issuable under the Shayna Loan Agreements and (iii) the shares issuable upon exercisable of the warrants to be issued under the Shayna Loan Agreements, no later than 7 days following the filing our Annual Report on Form 20-F for the fiscal year ended December 31, 2022. The Company also agreed to make every effort and take all the necessary actions so that the aforementioned registration statement will be declared effective by the SEC as early as possible after its submission to the SEC and in order for it to remain effective until all shares held by Shayna are sold or freely tradable under Rule 144. The Company agreed to bear all the costs associated with such registration.

In addition, Shayna will not be allowed to convert the Shayna Loans, and we will not issue shares in respect of a conversion notice, if the conversion would require the approval of our shareholders in accordance with section 270(5) and section 274 of the Companies Law 5759–1999 (the “Companies Law”), and this conversion and allocation will be postponed to the earliest date given in accordance with section 270(5) and Article 274 of the Companies Law.

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

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In connection with the Shayna Loans, the Company agreed to pay commission totaling NIS 467 thousand (approximately \$125 thousand) to an affiliate of Shayna. In addition, commencing on August 10, 2023, the Company agreed to pay to Shayna a consulting fee equal to \$96 thousand per month (plus value added tax) in 12 equal monthly payments, totaling \$1,151 thousand for advisory services to be provided pursuant to the Shayna Loan Agreements. The Company also agreed to pay a commission equal to NIS 375 thousand (approximately \$105 thousand) together with warrants to purchase the Company's ordinary shares having a value equal to NIS 375 thousand upon the date of grant to A-Labs.

Both loans were classified as short-term loans due to violation of the financial covenants in which the Company had to register the ordinary shares subject to the loan agreements within a period of 90 days of execution, however the Company failed to file such registration statements within such time periods.

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

If the registration of the shares is completed and Shayna is paid in full for the consulting fee noted above, the pledges on the shares will be canceled.

Pursuant to an agreement dated March 3, 2024 between Shayna and Akina Holding Limited ("Akina"), most of the rights of Shayna under the Shayna Loan Agreements were assigned to Akina. Thereafter, in March-May 2024, the Company made several amendments to the Shayna Loan Agreements involving Shayna and Akina, which are summarized below. For more information please refer to Note 28(13).

First Amendment – March 31, 2024

- Conversion price: Shayna and Akina will be entitled to convert the loan amounts in their entirety, for up to a total of 512,937 ordinary shares (calculated under an agreed USD/NIS exchange rate of NIS 36.5 to \$10.0, and at a conversion price of \$9.0 per ordinary share), of which Akina will be entitled to receive 389,746 shares, and Shayna will be entitled to receive 123,192 shares.
- Warrant coverage: total warrant coverage for the entire loan amounts, with the same number of shares and division between Akina and Shayna as detailed above, and an exercise price of \$9.0 per ordinary share.
- Limitation on Beneficial Ownership: standard clause limiting each of Shayna and Akina to 4.99%.
- Condition to effectiveness: only when duly approved by the board of directors of the Company, at its sole discretion

Second Amendment – May 9, 2024

- (i) Conversion of a cash payment of \$1,151 thousand payable for consulting fee under the Convertible Loan Agreements, to 127,867 ordinary shares of the Company (calculated under a conversion rate of \$9.0 per ordinary share) and 127,867 warrants (with an exercise Price of \$8.0 per ordinary share and an exercise period of up to 6 months); and
- (ii) Approval of the sale of Shayna rights under the Shayna Loan Agreements to receive certain converted shares and to exercise certain warrants from Shayna to another lender.

During the year ended December 31, 2024, Akina has converted the loan under the Shayna Loan Agreements into the Company's ordinary shares, pursuant to which conversions the Company has issued 512,937 ordinary shares, and exercised a warrant to purchase 448,230 ordinary shares of the Company at an exercise price of \$9.00 per share. In addition, Shayna exercised a warrant to purchased 127,867 ordinary shares of the Company at an exercise price of \$8.00 per share.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

2. On May 4, 2023, the Company signed a Securities Purchase Agreement (“SPA”) to issue Lind Global Asset Management VI LLC, an investment fund managed by The Lind Partners, a New York based institutional fund manager (together, “Lind”), up to two (2) secured convertible promissory notes in three tranches (the “Notes” and each a “Note”) for proceeds up to \$16,000 thousand and warrants to purchase the Company’s ordinary shares. The first tranche occurred on May 8, 2023 and consisted of the issuance and sale of a Note with a price of \$6,000 thousand, a principal amount of \$7,200 thousand and the issuance of warrants to 245,821 ordinary shares with an exercise price of \$35 and a term of 5 years. The price for the initial Note consisted of two separate funding amounts.

On August 23, 2023, as consideration for the amendments to the first tranche, the Company agreed to amend the Note and increase the principal amount of the Note from \$7,200 thousand to \$9,600 thousand.

The initial funding of \$4,500 thousand was received by the Company (less legal fees and a 3.5% commitment fee) and the funding of the remaining \$1,500 thousand was received during September 2023 (the “First Closing”). The second tranche consisted of the issuance and sale to Lind of a Note for \$10,000 thousand and a principal amount of \$12,000 thousand, and the issuance of additional warrants to acquire ordinary shares on the same terms as the warrants issued to Lind described above. The second closing (the “Second Closing”) will occur sixty (60) days following the registration of the ordinary shares issuable upon conversion of the Note and the ordinary shares. The Second Closing is subject to certain conditions precedent as set forth in the SPA. As of the date of these financial statements, the Second Closing has not yet occurred.

The Note issued under the SPA in the First Closing has a maturity date of May 8, 2025, and the Note issued under the SPA in the Second Closing will have a maturity date of 2 years from the date of issuance (the “Maturity Date”). Beginning on the date that is either the earlier of (1) a registration statement registering the ordinary shares issuable upon the conversion of the Notes and exercise of the warrants being declared effective by the SEC and (2) 120 days from the issuance date of each Note, the Company shall repay the Note in twelve consecutive monthly installments, (each, a “Payment Date” and collectively the “Monthly Payments”) an amount equal to USD 600 thousands (the “Repayment Amount”), with the option of Lind to increase one Monthly Payment up to USD 1.5 million by providing written notice.

The Company has the option to make the Monthly Payments (i) in cash in the amount equal to the Repayment Amount multiplied by 1.05, (ii) ordinary shares, or (iii) a combination of cash and ordinary shares. The amount of ordinary shares to be issued upon repayment shall be calculate by dividing the Repayment Amount being paid in ordinary shares by the Repayment Share Price. The “Repayment Share Price” will be equal to ninety percent (90%) of the average of the lowest five (5) consecutive daily VWAPs during the twenty (20) Trading Days prior to the payment Date.

During the year ended December 31,2024, Lind converted an amount of \$4,800 thousand into 705,582 ordinary shares.

During the year ended December 31,2023, Lind converted an amount of \$4,800 thousand into 221,537 ordinary shares.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

3. 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 \$4.00 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 67,016 ordinary shares, while the remaining amount of \$570 thousand, which was subject to the November 2024 Amended Note, converted into 127,729 ordinary shares. The Company and AGP are currently discussing the remaining balance.

4. 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) \$25.00 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 \$15.00. 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 Investors Convertible Notes, in whole or in part, at any time following their issuance.

Pursuant to the First 2023-2024 Accredited Investor SPAs, the Company issued First 2023-2024 Accredited Investor Warrants which are exercisable into 16,796 ordinary shares. 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 \$ 233.00.

Second 2023-2024 Accredited Investor Financing Transaction

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

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 thousand (the “Second 2023-2024 Accredited Investor Notes”), and warrants exercisable into between 0.05 and 0.1 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 \$15.00. 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 Investors Convertible Notes, in whole or in part, at any time following their issuance.

As of December 31, 2024, the Company issued an aggregate of 181,689 ordinary shares following the conversion by the Second 2023-2024 Accredited Investors of Second 2023-2024 Accredited Investor Notes. Pursuant to the Second 2023-2024 Accredited Investor SPAs, the Company has issued Second 2023-2024 Accredited Investor Warrants which are exercisable into 20,000 ordinary shares. The Second 2023-2024 Accredited Investor Warrants are exercisable until September 14, 2025 for an exercise price of \$150.. 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 the Company’s ordinary shares.

5. Tomas Gottdiener

In March-November 2024, the Company sold to an accredited investor (the “March-November 2024 Investor”), in a series of unregistered private transaction, 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.

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 \$5.00. 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.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The March-November 2024 Warrants issued under the March-November 2024 Purchase Agreement were exercisable as follows: (i) March-November 2024 Warrants exercisable into 444,444 ordinary shares were exercisable at an exercise price equal to \$7.00 per share until March 12, 2027, (ii) March-November 2024 Warrants exercisable into 400,000 ordinary shares were exercisable at an exercise price equal to \$7.00 per share until April 3, 2027, (iii) March-November 2024 Warrants were exercisable into 100,000 ordinary shares are exercisable at an exercise price equal to \$5.00 per share until June 26, 2027, (iv) March-November 2024 Warrants were exercisable into 200,000 ordinary shares are exercisable at an exercise price equal to \$7.00 per share until June 26, 2027, and (v) March-November 2024 Warrants were exercisable into 150,000 ordinary shares are exercisable at an exercise price equal to \$5.50 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. As of December 31, 2024, the entire amount of the loan was still outstanding.

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 Note”). After fees and expenses, the net proceeds of the loan were \$2,087 thousand. The December 2024 Note is payable in 40 weekly installments of \$68,750 each in cash or registered ordinary shares, at the Company’s election.

The Company is entitled to prepay the December 2024 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 Note will be convertible by Astor following an event of default.

The conversion price of the December 2024 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 129,412 ordinary shares at an exercise price of \$8.50 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 the Company’s 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. The Company could be required to pay liquidated damages of up to 10% of the principal amount of the Note if the Company does not satisfy its obligations under the registration rights agreement on a timely basis. The December 2024 Convertible Note and December 2024 Warrant are subject to a limitation that prohibits ownership of more than 4.99% the Company’s 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 the Company’s senior lenders. Failure to obtain such consents will be deemed an event of default under the December 2024 Convertible Note. While the Company is currently in default of certain terms under the Loan Agreement with Astor, the Company is in discussions with Astor to restructure its obligations thereunder.

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 4.7 million 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 \$7.00 and the price per share at which the Company sells ordinary shares to a third party, but in no event less than \$5.00. The August 2024 Warrants are exercisable for a period of three years at an exercise price of \$10.00 per share. In the event that the conversion price of the August 2024 Notes is reduced, the exercise price of the August 2024 Warrants will be reduced proportionately. 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 110,000 ordinary shares of the Company on terms substantially similar to the terms of the August 2024 Warrants.

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.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In addition, 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 \$1,100 thousand in exchange for convertible notes with an aggregate principal amount of \$1,331 thousand and warrants to purchase an aggregate of 157,143 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 \$7.00, subject to adjustment in certain circumstances, including dilutive issuances, but no lower than \$5.00. The warrants to purchase an aggregate of 157,143 ordinary shares are exercisable for a period of three years at an exercise price of \$10.00 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 \$77 thousand in cash, 110,000 ordinary shares and a warrant to purchase 36,666 ordinary shares on the same terms of the investors' warrants.

In addition, in December 2024, Claymore and investors introduced by Claymore loaned the Company an aggregate of \$111,250 in exchange for notes with an aggregate principal amount of \$123,611 and warrants to purchase an aggregate of 111,250 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 thousand or the sale of the Company's Qpoint subsidiary. If the notes are not repaid by the maturity date, they will be convertible at a conversion price at 20% below the arithmetic average of the closing market prices per share of the ordinary shares in the five trading days prior to the maturity date, but not less than \$5.00. The warrants to purchase an aggregate of 111,250 ordinary shares are exercisable for a period of three years at an exercise price of \$5.00 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 loan amounted to \$77,875 in cash, and a warrant to purchase 111,250 ordinary shares on the same terms of the investors' warrants.

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.

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 depend on the share price of the Company.

The instrument as a whole constitutes a hybrid contract that include non-derivative host contract ("the loan") and embedded derivative (the conversion option).

b. 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 \$115.00 per whole share (exercisable only for whole shares) (each, a "RNER Warrant").

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

In addition, each RNER Share issued and outstanding immediately prior to the Effective Time automatically converted into the right to receive 0.0899 Company ordinary shares, and each RNER Warrant issued and outstanding immediately prior to the Effective Time converted into the right to receive 0.0899 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 160,438 New Warrants to purchase three-fourths of one ordinary share of the Company were issued to holders of the RNER warrants, of which 5,359 warrants are private warrants and the remaining 155,078 warrants are public warrants. As a result of this conversion the New Warrants’ and the reverse share split at a ratio of 1:10 that was effected in December 2023 and in March 2025, the exercise price increased to \$1,280 per each share.

The warrants were classified as financial liability and measured at fair value as of the issuance date. After the initial recognition, at each period end date, the warrants measured at fair value and all changes in fair value are recognized through profit or loss.

Through December 31, 2024, no warrants were exercised into ordinary shares of the Company.

c. 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.

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

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, 2024, and December 31, 2023, 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 a Black-Scholes and Monte Carlo simulation models. All of those components are classified, as Level 3, due to the use of unobservable inputs.

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

The key inputs into the Black-Scholes models for the private warrants were as follows:

	December 31, 2024
Risk- free interest rate	4.25%
Expected term (years)	1.119-2.2
Expected volatility	143.23%
Exercise price	11.7-28.5
Underlying share price	6.9

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- option

	December 31, 2024
Risk- free interest rate	4.18%
Expected term (years)	1.25
Expected volatility	149.39%
Exercise price	9.0
Underlying share price	6.9

Lind-Black Scholes- option

	December 31, 2024
Risk- free interest rate	4.3%
Expected term (years)	3.65
Expected volatility	143.23%
Exercise price	35.0
Underlying share price	6.9

2024 Accreditor Investors- Conversion component

	December 31, 2024
Risk- free interest rate	4.26%
Expected term (years)	2.5
Expected volatility	143.23%
Underlying share price	6.9

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

Gottdiener-Black Scholes- option	
<u>Input</u>	
	December 31, 2024
Risk- free interest rate	4.1-4.26%
Expected term (years)	2.19-2.85
Expected volatility	140-143.23%
Exercise price	5.0-7.0
Underlying share price	6.9
Gottdiener-Monte Carlo- Conversion component	
<u>Input</u>	
	December 31, 2024
Risk- free interest rate	4.4%
Expected term (years)	0.59
Expected volatility	135.82%
Underlying share price	6.9
Claymore-Black Scholes- option	
<u>Input</u>	
	December 31, 2024
Risk- free interest rate	4.27-4.68%
Expected term (years)	1.63-2.91
Expected volatility	140.24-143.57%
Exercise price	5.0-7.0
Underlying share price	6.9
Claymore-Black Scholes- Conversion component	
<u>Input</u>	
	December 31, 2024
Risk- free interest rate	4.24-4.25%
Expected term (years)	1.63-1.91
Expected volatility	143.57%
Exercise price	5.0
Underlying share price	6.9
Claymore- Monte Carlo- Conversion component	
<u>Input</u>	
	December 31, 2024
Risk- free interest rate	4.25%
Expected term (years)	0.45
Expected volatility	135.38%
Underlying share price	6.9

NOTE 17 – FINANCIAL LIABILITIES (Cont.)

JJ-Black Scholes- option

Input

	December 31, 2024
Risk- free interest rate	4.32%
Expected term (years)	5
Expected volatility	143.23%
Exercise price	8.5
Underlying share price	6.9

The following table presents the changes in the fair value of liabilities:

	Public Warrants	Private Warrants	Conversion Component	Total
Fair value as of December 31, 2023	\$ 217	\$ 5,830	\$ 4,215	\$ 10,262
Issuance of conversion component related to the convertible loans.	-	-	2,411	2,411
Issuance of warrants related to the convertible loans	-	10,370	-	10,370
Exercise of warrants	-	(886)	-	(886)
Conversion of convertible loans into ordinary shares	-	-	(4,220)	(4,220)
Change in fair value	366	(2,038)	2,734	1,062
Adjustments arising from translating financial statements from functional currency to presentation currency	-	25	1	26
Fair value as of December 31, 2024	\$ 583	\$ 13,301	\$ 5,141	\$ 19,025

NOTE 18 – FINANCIAL INSTRUMENTS

a. Financial assets:

Financial assets at amortized cost:

	December 31, 2024	2023
	USD in thousands	
Trade receivable and other assets	14,789	14,950
Restricted bank deposit	388	61
Total current assets	15,177	15,011
Long-term deposit	165	328
Total non-current assets	165	328

b. Other financial liabilities:

Other financial liabilities at amortized cost:

Short-term loans (1)	13,534	11,878
Convertible loans	24,763	14,449
Trade payables	8,200	9,867
Other accounts payable	39,474	32,427
Liabilities for government grants	442	412
Total other financial liabilities at amortized cost	86,413	69,033
Total current liabilities	86,240	68,886
Total non-current liabilities	173	147

(1) The interest rate is Prime (Bank of Israel intrabank plus 1.5%) + 0.7%-4.85%.

NOTE 18 – FINANCIAL INSTRUMENTS (Cont.)

c. Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, are comprised of loans and borrowings, receivables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and short-term deposits that derive directly from financing rounds and convertible loans.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company established a financial risk committee that advises senior management on financial risks and the appropriate financial risk governance framework for the Company.

The financial risk committee provides assurance to the senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

d. Financial risks factors:

The Group's activities expose it to various financial risks such as market risks (foreign currency risk, interest risk and price risk), credit risk and liquidity risk. The Group's comprehensive risk management plan focuses on activities that reduce to a minimum any possible adverse effects on the Group's financial performance.

Risk management is performed by the Company's chief executive officer.

1) Exchange rate risk:

The Group operates internationally and is therefore exposed to exchange rate risk arising from exposure to various foreign currencies, mainly the USD and the Euro. Exchange rate risk arises from future commercial contracts, recognized assets and liabilities that are denominated in a foreign currency other than the functional currency and net investments in foreign operations.

2) Credit risk:

As of December 31, 2024, cash and cash equivalents amounted to \$3,085 thousand. The entire cash and cash equivalents are invested with high quality financial institutions. The Company and the subsidiaries monitor customer debts on an ongoing basis and include specific allowances for doubtful accounts which adequately reflect the loss inherent in debts whose collection is doubtful as per the estimate of the Company and the subsidiaries.

3) Liquidity risk:

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and loans (see also Note 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. 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,	
	2024	2023
	USD in thousands	
Expenses in respect of defined contribution plans	1,632	2,264

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.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 19 – NET EMPLOYEE DEFINED BENEFIT LIABILITIES (Cont.)

c. Changes in the defined benefit obligation and fair value of plan assets

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	
	NIS 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	

2023

	Expenses recognized in profit or loss							Gain (loss) from remeasurement in other comprehensive income					Contributions			Balance as of December 31, 2023
	Balance as of January 1, 2023	Current service cost	Net interest expense	Past service cost and effect of settlements	Total expense recognized in profit or loss for the period	Payments from the plan	Return on plan assets (excluding amounts included in net interest expenses)	Actuarial gain (loss) arising from changes in demographic assumptions	Actuarial gain (loss) arising from changes in financial assumptions	Actuarial gain (loss) arising from experience adjustments	Total effect on other comprehensive income for the period	Effect of changes in foreign exchange rates	by employer	by plan's participants		
NIS in thousands																
Defined benefit obligation	3,163	152	150	(212)	90	(36)	-	-	(24)	36	12	(94)	-	-	3,135	
Fair value of plan assets	(2,123)	-	(104)	111	7	29	(109)	-	-	-	(109)	60	(130)	-	(2,266)	
Net defined benefit liability (asset)	1,040	152	46	(101)	97	(7)	(109)	-	(24)	36	(97)	(34)	(130)	-	869	

NOTE 19 – NET EMPLOYEE DEFINED BENEFIT LIABILITIES (Cont.)

d.	The principal assumptions underlying the defined benefit plan:		
		2024	2023
		%	
Discount rate (1)		5.32	5.57
Expected rate of salary increase		3.18	3.19

(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, 2024

Sensitivity test for changes in the expected rate of salary increase:

The change as a result of:	
1% salary increase	(209)
1% salary decrease	168

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	186
1% decrease in discount rate	(230)

NOTE 20 – EQUITY

- a. Composition of share capital:

	December 31, 2024		December 31, 2023	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares in thousands			
Ordinary shares with no par value	100,000	3,545	14,249	1,185

Effective from February 28, 2023, the Company's shares were split in a ratio of 1:0.712434. Effective December 14, 2023, the Company's shares were reverse split in a ratio of 10:1. In addition, effective March 28, 2025, the Company's shares were reverse split in a ratio of 10:1. As a result, all ordinary shares, options for shares, warrants to purchase ordinary shares, exercise price and net loss per share amounts were adjusted retroactively for all periods presented in these consolidated financial statements as if the stock split had been in effect as of the date of these consolidated financial statements.

- 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, 2024	1,185
Issuance of shares	1,774
Exercise of options and warrants	586
Balance as of December 31, 2024	3,545

- ii. Shares issued :

1. SPAC

As for the accounting treatment of the Reverse Recapitalization in respect of the transaction with RNER, see Note 1c above.

In February 2023, at the effective date of the Reverse Recapitalization, the Company issued 45,332 ordinary shares and 160,438 warrants.

2. PIPE

On March 23, 2022, concurrently with the execution of the business combination agreement, the Company entered into the Subscription Agreements with certain investors (the "PIPE Investors"), pursuant to which the PIPE Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such PIPE Investors, an aggregate of 5,000 ordinary shares at \$10.00 per share for gross proceeds of approximately \$50,000 thousand (the "PIPE Financing") on the Closing Date. The PIPE Financing did not consummate at closing of the Reverse Recapitalization as the PIPE Investors failed to remit payment for the shares to be purchased. In March 2023, the Company received approximately \$4,000 thousand of the \$50,000 thousand in proceeds from the PIPE Financing and issued approximately 4,000 shares in respect thereof. While the Company is considering possible alternatives in order to pursue the majority of the remaining funds committed as a part of the PIPE investment from the investors, it is uncertain if the Company will be able to receive the remaining PIPE funds.

3. 2022 Investors

In October 2022, the Company signed investment agreements with different investors for a total of 9,119 shares in the price of NIS 863 (\$247) – each unit includes 1 ordinary share with no par value and one warrant with an exercise price of NIS 949 (\$260). The warrants vested immediately upon issuance and will be exercisable for 30 months from the respective date of issuance. The aggregate amount raised through this private offering was approximately NIS 7,900 thousand (\$2,250 thousand) with an issuance cost of \$224 thousand. According to the terms of the investment agreement, the Company has 45 days from the closing date to issue the shares to the investors or otherwise it would need to repay it with an additional 10% interest. The actual issuance of shares took place on February 2023, and therefore as of December 31, 2022, the total investment amount was classified as a liability. The shares were issued during February 2023.

4. Investors Settlement Agreement

In order to settle various claims by the Company past investors, several allocations were made during 2023 to such past investors. Such allocations were as follows:

* Elyakim Shmuel Baruch Kislev – 2,000 shares (pre-split) were allocated.

* Lior Tamar Investments – 2,500 shares (pre-split) were allocated.

5. ELOC - Equity Line of Credit

On March 28, 2023 the Company and Dominion Capital LLC (“Dominion”), the manager of RNER’s sponsor, entered into a Firm commitment for an ELOC, which is an equity line instrument whereby the Company, subject to the terms in the equity purchase agreement, may issue up to \$10,000 thousand of the Company’s ordinary shares over the course of 36 months. In consideration for Dominion’s commitment to purchase the Company’s ordinary shares, upon execution of the equity purchase agreement, the Company issued to Dominion 100,000 of the Company’s ordinary shares. Expense of \$1,570 thousands related to these shares was recognized within other expenses in the Company’s consolidated statements of profit and loss. As of December 31, 2023 the Company did not meet the terms in the Equity purchase agreement and no shares were issued under the equity purchase agreement. In addition, Dominion advanced the Company an aggregate amount of \$2,500 thousand upon closing of the Reverse Recapitalization, as the upfront commitment. In connection with the equity line of credit, the Company and Dominion entered into a senior secured demand promissory note (the “Secured Promissory Note”) to evidence the Company’s obligation to repay the equity line of credit commitment. The Secured Promissory Note will bear interest at a rate of 10% per annum and is due on demand. Dominion claims that the Company failed to meet the contractual terms of the Secured Promissory Note. As a result, the Company is required to pay Dominion an interest rate of 24% immediately.

6. Lind

During November and December 2023, pursuant to Lind SPA as described in Note 17(2) Lind converted an aggregated amount of \$4,800 thousand into 221,537 ordinary shares.

7. Accredited Investors

During 2023, pursuant to Accredited Investor Notes as described in Note 17(4) certain Accredited Investors converted an aggregated amount of \$1,300 thousand into 115,022 ordinary shares.

8. Warrants exercise

During the year ended December 31, 2023, 1,300 warrants were exercised into 1,300 ordinary shares of the Company for total consideration of \$233 thousand.

NOTE 20 – EQUITY (Cont.)

9. Accredited Investors

During 2024, pursuant to Accredited Investor Notes as described in Note 17(4) certain Accredited Investors converted an aggregated amount of \$1,000 thousand into 66,667 ordinary shares.

10. Lind

During 2024, pursuant to Lind SPA as described in Note 17(2) Lind converted an aggregated amount of \$4,800 thousand into 705,582 ordinary shares.

11. AGP

During 2024, pursuant to AGP Convertible Loan Agreement as described in Note 17(3) A.G.P converted an aggregated amount of \$1,070 thousand into 194,747 ordinary shares.

12. Shayna

During November and December 2023, pursuant to Shayna Convertible Loan Agreement as described in Note 17(1) Akina converted an aggregated amount of \$4,616 thousand into 512,937 ordinary shares.

13. Claymore

During November 2024, pursuant to Claymore Convertible Loan Agreement as described in Note 17(7) Claymore converted an aggregated amount of \$275 thousand into 50,000 ordinary shares.

14. Finders Fee

- a. In April 2024, pursuant to a Finder Fee Agreement, the Company allocated an aggregated amount of 14,231 ordinary shares.
- b. In April 2024, pursuant to a Finder Fee Agreement, the Company allocated an aggregated amount of 20,000 ordinary shares.

15. Investors Settlement Agreement

In order to settle various claims by the Company past investors, several allocations were made during 2024 to certain past investors in the amount of 6,903 ordinary shares.

16. IR Services Agreements

During March and June 2024, pursuant to an IR services agreement, the Company granted an aggregated amount of 94,545 ordinary shares.

17. Consulting Agreement

In June 2024, pursuant to a Consulting Agreement, the consultant was allocated an aggregated amount of 3,202 ordinary shares.

NOTE 20 – EQUITY (Cont.)

18. Private warrants exercise

During the year ended December 31, 2024, 57,096 private warrants were exercised into 57,096 ordinary shares of the Company for total consideration of \$5,057 thousand.

c. Warrants classified as equity:

The Company has 182,778 registered and outstanding warrants that are exercisable into 182,778 ordinary shares of no par value each for an average exercise increment price of \$223.16. These warrants are classified in equity.

d. Treasury shares - Company shares held by the Company:

The interests of the Company in the Company's shares are as follows:

	December 31,	
	2024	2023
	%	
% of issued share capital	0.24	0.54

e. 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,		
	2024	2023	2022
	USD in thousands		
Equity-settled share-based payment plans	2,070	7,115	10,516

b. Grants of options to employees and interested parties:

As part of the business combination agreement described in Note 1b above, on June 21, 2021, the Company allocated 178,108 share options to senior officers, employees and consultants of the Company and to an investment bank assisting the transaction, consisting of grants to employees, key management personnel and interested parties. Following are data of the value of share options granted to key management personnel and interested parties in HUB.

NOTE 21 – SHARE-BASED PAYMENT (Cont.)

1. 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 of up to 106,865 ordinary shares. The options granted generally have a four-year vesting period and expire ten years after the date of the grant, subject to the terms set forth in the Plan. Options granted under the Plan that are cancelled or forfeited before expiration become available for future grant. As of December 31, 2024 there are no options available for future grants.

c. Movement of share options during the year:

The following table presents the changes in the number of share options and the weighted average exercise prices of share options:

	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Share options outstanding at beginning of year	37,157	100.4	84,415	160.2
Share options granted during the year	-	-	12,824	11.4
Share options exercised during the year	(680)	0.5	14,588	12.8
Share options forfeited during the year	(132)	0.4	955	0.4
Share options expired during the year	(19,912)	165.1	44,538	179.1
Share options outstanding at end of year	16,433	28.4	37,158	100.1
Share options exercisable at end of year	16,104	25.2	35,969	99.5

Each option is exercisable into one ordinary share of no par value.

The weighted average remaining contractual life for the share options outstanding as of December 31, 2024 was 7.6 years.

The range of exercise prices for share options outstanding as of December 31, 2024 was NIS 1.4- NIS 610.9 (\$0.4-\$165.1).

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – SHARE-BASED PAYMENT (Cont.)

A summary of the status of RSUs under the Plan as of December 31, 2024 and changes during the relevant period ended on that date is presented below:

	Number of RSU
Outstanding at beginning of year*	161,569
Granted	-
Vested	(43,697)
Forfeited and cancelled	(13,094)
Outstanding at end of year	104,778

* This includes shares granted with performance obligations which were not fulfilled as of December 31, 2024.

The total equity-based compensation expense related to all of the Company's equity-based awards recognized for the years ended December 31, 2024, 2023 and 2022, was comprised as follows:

	Year ended December 31,		
	2024	2023	2022
Cost of revenues	-	35	206
Research and development expenses	(11)	3,010	603
Sales and marketing expenses	(32)	211	1,504
General and administrative expenses	2,113	3,859	8,203
Total share-based payment	2,070	7,115	10,516

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES

a. Charges

To secure its liabilities to banks, the Group recorded a floating charge on its entire assets and a fixed charge on share capital and goodwill and all other assets and rights of any type or kind that the Company has or will have in the future. The balance of the amounts pledged under said charge amounts to \$688 thousand as of December 31, 2024 (\$1,788 thousand as of December 31, 2023) in order to receive guarantees in an aggregate of \$946 thousand.

The Company also recorded a charge in respect of a mortgage on vehicles, on the entire rights the mortgagors have and will have in the future from insuring the mortgaged vehicle, whether by the mortgagors or by banks, and on any right to compensation or indemnification the mortgagors will have towards a third party.

Moreover, to receive credit by a subsidiary, the Company and the subsidiary recorded a senior charge on the mortgagors' rights in connection with a contract signed on September 6, 2012 with the Israeli Ministry of Defense as a result of a tender published by the Ministry for the procurement of training courses, including the entire collaterals and guarantees granted to the mortgagors for securing the above rights and all the rights related to said rights.

b. Guarantees

As of December 31, 2024, the consolidated statement of financial position includes bank guarantees totaling approximately to \$946 thousand that have been granted to customers and suppliers in connection with tender-based performance contracts and office lease.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

c. Contingent liabilities

The Company is and may be subject to various legal proceedings, contingencies and claims that arise in the course of business, including some claims from current or former employees, as well as governmental and other regulatory investigations and proceedings. If determined adversely to the Company, then such claims could cause the Company to be subject to fines, penalties, and other contingencies.

There is no pending litigation or proceeding against any of HUB's office holders as to which indemnification is currently being sought, and, except as described below, HUB is not aware of any pending or threatened litigation, the outcome of which, 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.

The below is a brief summary of the litigation and other proceedings the Company is currently facing:

1. Insurance reimbursement claim— During May 2018, a company named Rotem filed to the District Court in Tel Aviv an insurance reimbursement claim against approximately 16 defendants, with HUB being among them, with respect to damages caused by a fire in the plaintiff's factory. The Company believes that its liability with regards to this claim seems remote and possesses insurance coverage to cover any liabilities that may arise from this case, based on legal counsel assessment a provision was not recorded.
2. Contract Tender Litigation – On March 29, 2022, two plaintiffs petitioned the District Court in Tel Aviv for certification of a class of plaintiffs in a class action suit against the Company and seven individuals serving as its officers and directors as of such date. The request for certification is based on a delay in HUB's making a public announcement of the cancellation of a contract tender whose award to HUB had been previously announced. The canceled contract represented revenue to HUB of NIS 800 thousand (approximately \$250 thousand) per year, and HUB's previous announcement stated that the contract tender would have a material effect on its 2022 financial results. HUB was notified of the cancellation of the award of the tender on the afternoon of Wednesday, March 23, 2022, which was the same day that HUB announced its execution of the Business Combination Agreement. HUB reported the cancellation of the award on Sunday, March 27, 2022. The applicable rules of the Tel Aviv Stock Exchange (TASE) and the Israel Securities Authority, require announcements of this kind to be made not later than the trading day following a company's receipt of the relevant information. Friday is not a trading day on the TASE, so HUB's report can be said to have been made one day late. The price of HUB's ordinary shares on the TASE fell by approximately 35% on March 27, 2022.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

The plaintiff's request to the court cites total damages at NIS 229,000 thousand (approximately \$70,000 thousand). On October 20, 2022, the amount claimed was reduced from NIS 229,440 thousand to NIS 5,440 thousand (approximately \$1,480 thousand).

On January 30, 2023, the amount requested was increased to NIS 64,000 thousand. On February 2, 2023, a partial judgment was issued in which the motion to withdraw against the directors was approved, leaving the motion pending against the Company and its former Chief Executive Officer only. The answer to the amended approval request was submitted by September 3, 2023, and the response by the plaintiffs was submitted on October 22, 2023.

Though the Company believes that the request for certification on this claim will be denied by the court, and that it has strong defenses to any class action that may ultimately be allowed to proceed, there can be no assurance that a court will not find the Company liable for significantly greater amounts. At this stage of the proceedings, it is not possible to assess the chances of the application being accepted or rejected in part or in full. A court's finding of significant liability against us could negatively affect our share price and have a material effect on our business and financial condition. The hearings were conducted on May 22-23, 2024, and at the court's suggestions a mediator was appointed on June 16, 2024 in order to attempt to reach a settlement between the parties. Two mediation meetings were conducted separately with each party on July 7, 2024 and on July 9, 2024. On August 7, 2024 the appointed mediator announced that the mediation attempt did not yield a settlement. On September 3, 2024 the parties notified the court the mediation attempt has failed, and on that day the court ruled that the parties would submit their written summaries by November 3, 2024. The plaintiffs filed their summaries on October 1, 2024 and the defendants filed their summaries on February 19, 2025. A provision was recorded in the financial statements at the amount of \$300 thousand based on legal counsel assessment.

3. PIPE Financing Litigation – On March 6, 2023, Mr. Maj'haj Avner (the "Applicant") filed a class action certification motion (the "Motion to Certify") against the Company and eight additional respondents in the District Court in Tel Aviv, alleging that the Company's public announcement that it received irrevocable investment commitments as part of the PIPE Financing was false. The Applicant seeks to represent anyone who purchased the Company's ordinary shares after the announcement of the Business Combination in March 2022 until the end of February 23, 2023, which was the last trading day of the Company's ordinary shares on the TASE. The Applicant claims personal damages in the amount of NIS 50,752, while the claim for the alleged damage for the members of the affected group was valued at a total of more than NIS 2,500 thousand. The Motion to Certify also asserts that the Company's alleged actions demonstrate a violation of the duties of care and trust imposed on the officers and the directors of the Company by the Companies Law, a violation of disclosure obligations under the Israeli Securities Law, and a violation of other statutory duties. On January 30, 2024, eight respondents filed a motion to dismiss outright the Motion to Certify (the "Motion to Dismiss") as well as a motion to extend the deadline for filing the Company's response to the Motion to Certify. The court ultimately rejected the Motion to Dismiss at a hearing on March 24, 2024. On June 2, 2024, eight respondents filed their response to the Motion to Certify in which they requested that the confidentiality of certain items of its response be maintained, which request was subsequently granted by the court.

On July 2, 2024, the Applicant responded to the response filed by the eight respondents and on July 9, 2024, sent the eight respondents a demand for disclosure of documents (the "Disclosure Request"). At a hearing held on July 10, 2024, the court recommended that three respondents be removed from the Motion to Certify and the Applicant waive all cause of action that do not relate to the Securities Law which recommendations the Applicant subsequently adopted. At the same hearing, the court ordered five of the respondents to respond to the Disclosure Request by August 11, 2024 and that if the Applicant does not receive a satisfactory response to the Disclosure Request by such date, the Applicant should submit to the court a motion for discovery of documents by September 1, 2024, to which the respondents would be required to respond by September 30, 2024. The Company was also instructed to inform the court by September 23, 2024, if it still stands by its motion regarding confidentiality. A preliminary hearing was held on November 4, 2024. On December 2, 2024, the Applicant filed a motion to summon additional witnesses. As part of this motion, the Applicant asked the court to summon several additional witnesses, including the PIPE investors, the remaining respondents in the motion to certify, and other individuals associated with the Company.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

On December 29, 2024, the Applicant filed a motion to remove the confidentiality protection from several documents provided to him by the Company. On January 5, 2025, the court denied the applicant's motion to remove confidentiality of the documents that were transferred, without requiring a response from the respondents.

On January 5, 2025, the respondents filed their response to the motion to summon additional witnesses. On January 15, 2025, the Applicant filed his reply to the respondents' response on this matter. The court has yet to issue its decision regarding this matter. At this stage, it is difficult to assess or determine what would be the level of exposure if any.

On March 31, 2025, the court issued a decision regarding the request to summon additional witnesses. The court approved the summoning of three witnesses. The court allowed the possibility of submitting an affidavit by one of the witnesses. On March 27, 2025, the respondents informed the court that they wish to submit an affidavit on behalf of one of the witnesses. On the same day, the court issued a decision stating that the affidavit submitted by May 4, 2025. The date was extended to May 29, 2025.

On April 6, 2025, a decision was issued by the court stating that, due to the court's constraints, the previously scheduled evidentiary hearings in this case must be postponed to another date. Alternative evidentiary hearings were scheduled for October 20–21, 2025.

On April 7, 2025, a request to review the case was submitted by Yuval Lev (the Applicant in Lev case). On the same day, the court issued a decision requiring the parties to respond to this request by April 27, 2025 (the date was postponed to May 7, 2025). On April 10, 2025, a response was submitted on behalf of the petitioner in this case, stating that he agrees to the request for case review.

4. Oppenheimer Suit - On June 12, 2023, Oppenheimer filed a claim against the Company in the United States District Court for the Southern District of New York alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company's business combination with RNER. The complaint alleges that the Company owes Oppenheimer in excess of \$12,000 thousand (as well as its costs and legal fees associated with the claim) with regards to the business combination, pursuant to a financial advisory agreement entered into by and between Oppenheimer and the Company in December 2021. As a settlement agreement was reached in February 20, 2025 this claim was dismissed on February 21, 2025.
5. Dominion Capital Suit and Insolvency Petition - In December 2023, Dominion, a sponsor of the SPAC, RNER., sued the Company in a New York State Court alleging that the Company failed to repay \$2,500 thousand million that the sponsor allegedly disbursed to the Company pursuant to a promissory note. The sponsor asserted that it was entitled to damages in the amount of the loan principal plus interest and attorneys' fees and was awarded summary judgment.

On April 10, 2024, Dominion, based upon the lawsuit filed in New York, submitted to the Tel Aviv District Court a petition to declare the Company insolvent. A response by the Company objecting to the petition was filed by the Company on May 26, 2024 and a response to the response was filed by Dominion on June 13, 2024. The preliminary hearing was set for October 7, 2024.

On February 20, 2025, the Company and Dominion agreed to settle the claims for \$4.5 million, 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. Dominion agreed that, upon receipt of the first installment payment, it will file a motion to stay the Israeli insolvency proceedings, and upon receipt of the second installment payment, it will file a motion to cancel the Israeli insolvency proceedings. The Israeli insolvency proceedings were eventually 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 does not bear interest and is repayable by way of conversion into the Company's ordinary shares on February 20, 2030, subject to earlier conversion by Claymore. The note is convertible into ordinary shares at a rate equal to 25% below the lower of (i) the closing price per share of the ordinary shares immediately preceding the conversion and (ii) the volume-weighted average price of the ordinary shares over the five trading days prior to the conversion, subject to a collar between \$15.00 and the Nasdaq floor price.

In the event Claymore defaults on its installment payment obligations to Dominion, the principal amount of the note will be reduced by 1.667 times the amount of such installment. The Company also undertook to grant Claymore liens on the Company's shares in BST. and on incoming revenues of the Company in the amount of \$6 million in the event that an insolvency event occurs prior to August 20, 2025 or if Nasdaq does not grant the Company the opportunity to come into compliance with its listing conditions by no earlier March 31, 2025.

NOTE 22 – COMMITMENTS, GUARANTEES, CHARGES AND CONTINGENT LIABILITIES (Cont.)

6. Class Action Suit

HUB Cyber Security Ltd. 1:23-cv-05764 (S.D.N.Y.): This case consolidates into one securities class action the complaints filed in the cases styled Efrat Investments LLC et al. v. Hub Cyber Security Ltd., and Green v. Hub Cyber Security Ltd. f/k/a Hub Cyber Security (Israel) Ltd., et al. This action names the Company and current and former officers and directors of the Company (including Eyal Moshe, Hugo Goldman, Uzi Moscovich, Zeev Zell, Moshe Raines, Manish Agarwal, and Moti Franko, “Individual Defendants”) as defendants (collectively, “Class Action Defendants”). Certain shareholders—individuals and entities that purchased or otherwise acquired Company securities pursuant to and/or traceable to the offering materials issued in connection with the Transaction—have alleged that the Class Action Defendants made material misstatements and omissions in the offering materials issued in connection with the Transaction. The shareholders have alleged that the offering materials incorrectly stated that Hub Cyber Security (Israel) Ltd. had secured a committed financing arrangement, contained material misstatements and omissions concerning the Company’s internal controls and misuse of Company funds, and contained materially misleading information concerning the Company’s product. The shareholders seek damages from the Class Action Defendants and/or tender their shares to Class Action Defendants for recovery of the consideration paid therefor. The Company is defending itself vigorously. The Company moved to dismiss the action, and the Court dismissed certain portions of the Plaintiffs’ claims. Discovery has now commenced.

7. A few former Israeli employees filed a claim in the Tel Aviv Labor Court:

- i. A former employee filed a claim against Comsec in the amount of NIS 846,716 alleging unlawful termination and entitlement to various employment rights, including, but not limited to, unlawful termination compensation, severance pay, advanced notice compensation, and bonuses according to the employment agreement. On December 26, 2023, Comsec submitted its statement of defense, denied, and rejected the plaintiff’s claims and demands. A preliminary hearing occurred on March 13, 2024. The plaintiff filed an affidavit with the court on May 27, 2024. On February 23, 2025 the case was settled for NIS 50,000.
- ii. An additional former Israeli employee filed a claim in the Tel Aviv Labor Court against the Company in the amount of NIS 271,593. The plaintiff alleges that this amount is owed to him due to violation of the employment agreement signed with him. The plaintiff claims a signing bonus that he claims was not paid to him, an unconditional quarterly bonus including social benefits for him, and the registration of 20,000 RSUs in his name, compensation for bad faith and misrepresentation. A preliminary hearing is set for February 2, 2025. A settlement between the Company and the plaintiff was signed at an amount of \$34 thousand on November 7, 2024. The settlement was paid upon two installments on January 17, 2025 and March 30, 2025.

8. Following the findings of the Special Committee, the Company has also filed a claim against two former employees:

- (a) On June 1, 2023, the Company filed a claim against its former Chief of Staff and VP HR and wife of the Company’s former chief executive officer, in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On January 2024 a preliminary hearing was held during which, the parties agreed that a consent judgment would be given stating that the amounts accumulated in the former employee’s name in the provident funds will not be released to either of the parties or to any third party until a final judgment is rendered in the Company’s claim against the former employee. A judgment was issued in accordance with the parties’ agreements as stated. On February 26, 2024, the Company filed a new claim against the former employee for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On June 26, 2024, the former employee filed her statement of defense. On July 21, 2024, the former employee filed a counterclaim in the amount of NIS 1,268 thousand. The former employee alleges that this amount is owed to her due to an unlawful termination process carried out against her, which was accompanied by rude behavior, disrespect, and humiliation. In all, the former employee demands the following payments and compensation from the Company: (i) release of severance pay funds accumulated in her favor, (ii) completion of severance pay in the amount of NIS 30,008, (iii) compensation for delayed severance pay, (iv) six months’ advance notice pay amounting to NIS 460,590, (v) compensation for gender discrimination and damage to reputation and good name in the amount of six salaries amounting to NIS 460,590, (vi) compensation for dismissal in bad faith, arbitrarily and without a hearing, and workplace bullying in the amount of NIS 230,295, (vii) an annual bonus of NIS 76,765, and (viii) reimbursement of expenses for a business trip abroad on behalf of Hub amounting to at least NIS 10,233. The next hearing in the claims is scheduled for September 8, 2025.
- (b) On November 11, 2023, the Company filed a claim against its former chief executive officer in the Tel Aviv Labor Court for a declaratory judgment and an order to release severance pay funds accumulated in provident funds back to the employer. On February 18, 2024, the former employee filed his statement of defense. On June 4, 2024, the Company submitted a request to the court to consolidate the Company’s claim against its former chief executive officer and claim against his wife, the Company’s former Chief of Staff and VP HR described above. Both former employees submitted their response to such a request and on June 26, 2024, the court decided that both claims will be handled by a panel of the court but it did not yet decide whether to consolidate the claims. On August 4, 2024, Hub submitted a request to complete the discovery and inspection proceedings by October 15, 2024. On February 16, 2025, the former CEO filed a discovery affidavit and the Company must file its affidavits in response on May 14, 2025. On September 8, 2025, an evidentiary hearing is scheduled to be held.

NOTE 23 – INVESTMENTS IN SUBSIDIARIES

a. Investment in ALD Software:

On December 28, 2007, the Company signed an agreement with ALD Software whereby on the record date, January 1, 2008, the Company transferred and sold to ALD Software the software department operation, free of any debt, liability, charge, foreclosure, mortgage, lien or any third party right, other than the liability to the IIA, as a result of which on the transaction completion date, ALD Software will become the legal owner of the software department operation and its underlying rights. The Company holds 98.63% of ALD Software.

b. Investment in Qpoint:

On May 26, 2010, the Company signed an agreement for investing in Qpoint, which is engaged in IT and software testing. According to the agreement, after the investment is made, the Company will hold 46.52% of Qpoint's issued and outstanding share capital on a fully diluted basis and will have the power to determine Qpoint's financial and operational policies, among others by having veto rights on budgets, capital raising, financing, dividend distribution and appointing the chief executive officer and chief financial officer to Qpoint's board of directors, since each of the two other shareholders in Qpoint had provided the Company an irrevocable proxy for approximately 7% each of Qpoint's ordinary shares owned by them, conferring the Company about 60% of the voting rights in general meetings. Consequently, the Company consolidates Qpoint in its financial statements from the second quarter of that year.

The Company's total investment in Qpoint amounted to NIS 1,200 thousand (\$312 thousand), paid in instalments over three quarters after the closing date. On July 1, 2010, with the completion of the Qpoint acquisition transaction, the Company was allocated 174 shares of Qpoint, conferring the Company 46.52% of Qpoint's issued and outstanding share capital on a fully diluted basis. In April 2024, after the balance sheet date, the Company acquired the remaining shares of Qpoint. Following this acquisition, the Company holds 100% of Qpoint.

As part of the investment agreement, the parties signed a service agreement according to which the Company will grant Qpoint various services such as comprehensive accounting, marketing, management, administration and office maintenance. In return, Qpoint will pay the Company management fees of 3%. Of the 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 for NIS 25,000 thousand in cash the shares of Qpoint. Payments were agreed to be carried out in three installments as follows: (i) NIS 4,000 thousand on the signing date; (ii) NIS 16,000 thousand on the closing date (which was April 8, 2024); (iii) an additional NIS 5,000 thousand no later than February 10, 2025 (of which NIS 2,500 thousand was already paid by June 5, 2024). As of December 2024, the Company paid the full transaction fee.

Following this acquisition the Company holds 100% of Qpoint. This acquisition is strategically aligned with the Company's mission to establish a leading global secure data fabric ecosystem.

Qpoint, which was established in 2009, comprises five subsidiaries and provides solutions and consulting across various verticals, including innovative data management and security solutions.

c. Acquisition of Comsec Ltd.:

On September 27, 2021, the Company signed an agreement for the purchase of the entire issued and outstanding share capital on a fully diluted basis of Comsec, including owners' loans and capital notes (collectively – "the securities"), from Eldav Investments Ltd. ("the seller"). In return for the securities, the Company paid NIS 70,000 thousand (\$21,848 thousand) ("the purchase price"), of which NIS 40,000 thousand (\$12,484 thousand) in cash and NIS 30,000 thousand (\$9,363 thousand) in Company shares. The purchase price was paid to the seller upon closing.

Comsec was a private company that provides cybersecurity consulting, design, testing and control services and sells data security and cybersecurity software and hardware solutions by itself and through its subsidiaries in Israel and overseas. In the first half of 2021, Comsec completed the technological development of a cyber automation solution and began marketing and profiting from its internally developed D-Storm product.

The acquisition transaction was completed on November 17, 2021 and from that date, the Company consolidated the financial statements of Comsec in the consolidated financial statements.

d. Debt Arrangement with Comsec Creditors and a Vendor Settlement

Comsec Group and the Company have reached a settlement agreement with a Vendor, which is one of the creditors, and whose debt is also covered by a guarantee by the Company.

According to the settlement agreement, a vendor will receive an amount of NIS 13,656 thousand according to the following payment schedule:

- (i) NIS 5,000 thousand until April 7, 2024
- (ii) NIS 4,328 thousand until May 15, 2024
- (iii) NIS 4,328 thousand until July 15, 2024

Commencing in 2025, the Company has paid in full the entire outstanding debt owed to the vendor.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 – ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
a. Cost of revenue:			
Salaries and related expenses	19,790	28,098	29,972
Subcontractors and consultants	3,879	8,359	12,980
Depreciation, amortization and impairment	-	4,757	1,659
Material	48	-	461
Impairment expenses	-	-	438
Other	798	693	401
	<u>24,515</u>	<u>41,907</u>	<u>45,911</u>
b. Research and development expenses, net:			
Salaries and related expenses	1,994	6,879	5,201
Other	8	298	406
	<u>2,002</u>	<u>7,177</u>	<u>5,607</u>
Less – government grants	-	(1,291)	(33)
	<u>2,002</u>	<u>5,886</u>	<u>5,574</u>
c. Sales and marketing expenses:			
Salaries and related expenses	2,732	4,239	7,972
Advertising and public relations	1,329	236	306
Depreciation, amortization and impairment	1,030	6,026	12,688
Other	366	193	708
	<u>5,457</u>	<u>10,694</u>	<u>21,674</u>
d. General and administrative expenses:			
Salaries and related expenses	6,369	8,409	16,089
Depreciation and amortization	1,111	1,463	1,680
Office Maintenance	1,600	1,392	1,410
Consulting	4,466	16,716	16,627
Professional services	5,799	3,486	3,575
Impairment expenses	572	10,643	14,618
Insurance	1,983	1,622	26
Other	1,730	5,441	3,246
	<u>23,630</u>	<u>49,172</u>	<u>57,271</u>

NOTE 24 – ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS (Cont.)

		Year ended December 31,		
		2024	2023	2022
		USD in thousands		
e.	Other expenses, net:			
	Governmental grants income	(173)	(1,159)	-
	Loss on disposal of assets	354	-	-
	ELOC	-	1,570	-
	RNER listing expenses	-	12,312	-
		<u>181</u>	<u>12,723</u>	<u>-</u>
f.	Finance income and expenses:			
	Finance income:			
	Gain from exchange rate differences	-	271	19
	Changes in fair value of financial instruments	1,672	-	-
	Interest income	548	213	450
		<u>2,220</u>	<u>484</u>	<u>469</u>
	Finance expenses:			
	Loss from exchange rate differences	391	-	-
	Bank fees	286	109	145
	Changes in fair value of financial instruments	-	247	-
	Interest expenses	11,909	6,838	1,239
		<u>12,586</u>	<u>7,194</u>	<u>1,384</u>

NOTE 25 – TAXES ON INCOME

Tax laws applicable to the Group companies:

Income Tax (Inflationary Adjustments) Law, 1985:

According to the law, until 2007, the results for tax purposes were adjusted for the changes in the Israeli CPI.

In February 2008, the Knesset (Israeli parliament) passed an amendment to the Income Tax (Inflationary Adjustments) Law, 1985, which limits the scope of the law starting 2008 and thereafter. Since 2008, the results for tax purposes are measured in nominal values, excluding certain adjustments for changes in the Israeli CPI carried out in the period up to December 31, 2007. Adjustments relating to capital gains such as for sale of property (betterment) and securities continue to apply until disposal. Since 2008, the amendment to the law includes, among others, the cancellation of the inflationary additions and deductions and the additional deduction for depreciation (in respect of depreciable assets purchased after the 2007 tax year).

A. Tax rates applicable to the Group companies:

The Israeli corporate tax rate was 23% in 2024, 2023 and 2022.

A Company is taxable on its real capital gains at the corporate income tax rate in the year of sale.

In August 2013, the Law for Changing National Priorities (Legislative Amendments for Achieving Budget Targets for 2013 and 2014), 2013 (“the Budget Law”) was published. The Law includes, among others, provisions for the taxation of revaluation gains effective from August 1, 2013. The provisions regarding revaluation gains will become effective only after the publication of regulations defining what should be considered as “retained earnings not subject to corporate tax” and regulations that set forth provisions for avoiding double taxation of foreign assets. As of the date of approval of these financial statements, these regulations have not been published.

NOTE 25 – TAXES ON INCOME (Cont.)

- B. Principal tax rates applicable to subsidiaries resident outside of Israel:

Company incorporated in the United States – tax rate of 24%.

Company incorporated in the Netherland – tax rate of 19%.

- C. Final tax assessments:

The Company and its subsidiaries had tax assessments through the 2018 tax year, and are deemed final.

- D. Carryforward tax losses:

The Company has business losses that can be carried forward totaling approximately \$174,078 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.

- 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, 2023	(3,432)	3,271
Charged to profit or loss	1,725	(1,686)
Adjustments arising from translating financial statements from functional currency to presentation currency	132	(126)
Balance as of December 31, 2023	(1,575)	1,459
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
As shown on balance sheet (2):	(79)	-

(1) The deferred taxes are computed at a tax rate of 23%.

(2) The deferred tax shown above is not netted off within companies. The balance sheet shows the net position.

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – TAXES ON INCOME (Cont.)

F. Taxes on income included in profit or loss:

	Year ended December 31,		
	2024	2023	2022*
	USD in thousands		
Current taxes	276	210	131
Deferred taxes	(37)	(39)	(1,039)
Tax previous years	318	-	132
	<u>557</u>	<u>171</u>	<u>(776)</u>

* Comparative figures including the discontinued operation results.

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,		
	2024	2023	2022
	USD in thousands		
Loss before taxes on income	(36,589)	(84,435)*	(80,739)*
Statutory tax rate	23%	23%	23%
Tax computed at the statutory tax rate	(8,415)	(19,420)	(18,570)
Increase (decrease) in taxes on income resulting from the following factors:			
Adjustment of deferred tax balances relating to prior years	(37)	-	-
Different tax rate applicable to foreign subsidiary	(4)	(2)	(225)
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	7,380	19,026	17,699
Non-deductible expenses for tax purposes	853	-	-
Tax previous years	318	-	132
Other, net	493	665	225
Taxes on income	<u>557</u>	<u>171</u>	<u>(739)</u>

* 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, 2024

	For details see Note	Directors USD in thousands	Key management personnel USD in thousands
Other accounts payable	15	725	33
Loan	-	66	-

December 31, 2023

	For details see Note	Directors USD in thousands	Key management personnel USD in thousands
Other accounts payable	15	220	18
Loan	-	66	-

Credit Line to BST

The Company provided a loan to BST, a company whose board of directors includes the Company's Chief Executive Officer.

On December 4, 2023 the parties entered into a Loan and Security Agreement (the "BST Loan Agreement"). Under the BST Loan Agreement, upon the request of BST, the Company may make, at its sole discretion, cash advances to BST, from time to time, until June 30, 2024, in an aggregate principal amount of up to \$6,000 thousand.

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

Through December 31, 2024, the Company has provided to BST an aggregated amount of \$2,662 thousand under the BST Loan Agreement, of which \$1,023 thousand was provided until December 31, 2023 and \$1,639 thousand was provided until December 31, 2024, while \$323 thousand were recorded as selling and marketing expenses in 2023 and \$399 thousand were recorded as finance income. As of December 31, 2024, \$2,739 thousand was presented as part of other receivables. Please also refer to Note 28.

NOTE 26 – BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

- b. Salaries and benefits to interested and related parties:

	Year ended December 31,		
	2024	2023	2022
	USD in thousands		
Cost of sales, research and development expenses, sales and marketing expenses and general and administrative expenses, net:			
Salary and related benefits to CEO and director employed by the Company (controlling shareholder) including cost of share-based payment (1)	592	132	-
Fees of directors not employed by the Company including cost of share-based payment (7)	625	566	312
Salary and related benefits to formerly Deputy CEO including cost of share-based payment (2)	476	811	3,872
Salary and related benefits to the former VP Human Resources including cost of share-based payment (4)	-	28	1,140
Salary and related benefits to formerly Chairman of the Board including cost of share-based payment (3) (6)	-	-	2,355
Salary and related benefits to formerly Deputy CEO and COO including cost of share-based payment (5) (6)	-	-	1,777
	<u>1,693</u>	<u>1,537</u>	<u>9,456</u>

- (1) Relates to the cost of employment of Mr. Noah Hershkovitz, director of the Company as of October 3, 2023 and chief executive officer of the Company as of December 4, 2023.
- (2) Relates to the cost of employment of Mr. Uzi Moskowitz director and former chief executive officer in the Company, who no longer serves as the chief executive officer of Company since December 4, 2023. and Eyal Moshe former director and former chief executive officer of the Company who is also controlling shareholder in the Company, excluding any misappropriates expenses. Mr. Moshe ceased his role as chief executive officer on February 2, 2023, and his employment was terminated effective July 24, 2023 for cause in connection with these unauthorized expenses.
- (3) Relates to the cost of employment of Dr. Zigmund Bluvband, formerly the Chairman of the Company's board of directors. Dr. Zigmund no longer works at the Company since April 30, 2022.
- (4) Relates to the cost of employment of Ms. Ayelet Bitan, Chief of Staff in the Company and the spouse of Mr. Eyal Moshe, a controlling shareholder in the Company, excluding any allegedly misappropriated expenses as detailed in Note 1d. Ms. Bitan resigned in February 2023.
- (5) Relates to the cost of employment of Mr. Dotan Moshe, former Deputy chief executive officer and chief operating officer in the Company, who is also the son-in-law of Dr. Zigmund Bluvband. Mr. Dotan no longer works at the Company since May 15, 2022. In February 2023 he began consulting the Company.

NOTE 26 – BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

(6) Key management personnel.

(7) Other interested and related parties.

- The salary and related benefits amounts including the additional expenses of the extension in 2022 of the expiry date of options as detailed in note 17.
- Mr. Hershcoviz holds 9.99% of one of the Company service providers, A-Labs. Therefore, any decision regarding A-Labs transactions will require special approval as a related party transaction. In addition, Mr. Hershcoviz is also acting as a director in BST.

c. Transactions with interested and related parties:

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

Year ended December 31, 2023

	Controlling shareholder	Key management personnel	Other interested and related parties	Total
	USD in thousands			
General and administrative expenses	141	829	566	1,537
	141	829	566	1,537

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.

NOTE 27 – SEGMENTS (Cont.)

2. Professional Services Segment – the Company offers data and cybersecurity and system security and reliability solutions and related services such as consulting, planning, training, integrating and ongoing servicing of cybersecurity, risk management, system quality, reliability and security projects and fully managed corporate cybersecurity services. These segments share a unified product development, operations, and administrative resources.

Revenues and part of the expenses are allocated directly to business segments whereas joint expenses are not allocated to segments. The assets and liabilities that are not allocated consist of joint operational assets and liabilities that are shared by the various operating segments. The Company deems it is impractical to separate them. Segment asset and liability performances and segment income (loss) are estimated based on the operating income (loss) presented in the financial statements.

Below is data relating to business segments:

	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)

HUB CYBER SECURITY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – SEGMENTS (Cont.)

	Year ended December 31, 2023			
	Professional services	Products and technology	Unallocated*	Total
USD in thousands				
Revenues from external customers	41,589	1,068	-	42,657
Total revenues	41,589	1,068	-	42,657
Segment results (operating loss)**	(30,690)	(33,153)	(13,882)	(77,725)
Finance expenses, net				6,710
Loss before taxes on income				(84,435)

* Expenses related to RNER merger transaction and ELOC See Note 5 and Note 28 respectively.

** In the year ended December 31, 2023, the Company recorded impairment of goodwill and intangible assets related to professional service and product and technology segments in the amount of \$12,735 thousand and \$2,523 thousand, respectively.

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, 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

NOTE 27 – SEGMENTS (Cont.)

(1) Customers in the Professional Services segment.

	<u>% of total sales</u>
Customer A	8.02%
Customer B	7.11%
	<u>15.13%</u>

Year ended December 31, 2023

	<u>Israel</u>	<u>America</u>	<u>Europe</u>	<u>Asia Pacific</u>	<u>Total</u>
	<u>USD in thousands</u>				
Revenues	40,364	334	1,669	290	42,657

Main customers:

	<u>Year ended December 31, 2023</u>
	<u>USD in thousands</u>
Turnover with main customers (1):	
Customer A	7,602
Customer B	4,726
	<u>12,328</u>

(1) Customers in the Professional Services segment.

	<u>% of total sales</u>
Customer A	17.82%
Customer B	11.08%
	<u>28.9%</u>

NOTE 28 – EVENTS AFTER THE REPORTING DATE

1. 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 equityholders of BST received 2,965,366 ordinary shares of the Company and pre-funded warrants to purchase 664,373 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 are significantly out-of-the-money, unvested equity grants, and convertible notes that are 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 shares.

The ordinary shares issued in the transaction are subject to transfer restrictions for a period of 18 months following the closing date. Specifically, all such shares are restricted from transfer for a period of six-months. After six months, each former BST equityholder will be entitled to transfer up to 28% of its shares. Over the following 12 months, an additional 6% of the shares will be released from the lock-up each month.

Approximately ten percent of the shares were deposited in escrow upon the closing of the transaction in order to secure certain indemnification obligations of BST's former equityholders. No change in the Company's management or board of directors occurred as a result of the merger.

2. Receipt of Staff's Delisting notice

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 February 26, 2025, the Staff confirmed to the Company via email that it had regained compliance with the 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 minimum bid price requirement.

3. Julestar Financing

On February 4, 2025, the Company entered into a Loan Agreement (the "Julestar Loan Agreement") with Julestar LLC, a New York limited liability company ("Julestar"), pursuant to which Julestar agreed to loan us \$2,650 thousand in consideration for a promissory note in the principal amount of \$3,117,647 (the "Julestar Note"). The principal amount, and interest thereon, is required to be repaid in 40 weekly installments over the 10-month term of the loan. The Julestar Note will accrue 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.

The Julestar Loan Agreement also provides for the issuance of five-year warrants to purchase 530,000 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, as detailed below. The exercise price of the warrants is \$5.00 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 with the Securities and Exchange Commission on a Form F-1 or Form F-3 the shares issuable upon the exercise of the Warrants.

The net proceeds of the amount we the Company raises in any single subsequent financing or asset sale outside the ordinary course of business of more than \$5.0 million, or multiple subsequent financings or asset sales outside the ordinary course of business of more than \$7.0 million in the aggregate, will be required to be used to prepay the Julestar Note in full. The Company is entitled to prepay a minimum of \$100 thousand of the Julestar Note at any time, with no prepayment penalties, with declining incentives for early prepayment consisting of a decrease in the principal amount and a decrease in the number of shares issuable under the warrants. If the Julestar Note is not repaid in full within 90 days, the number of shares issuable under the warrants will increase and the exercise price of the additional shares could be set lower, to half the lowest 10-day average market price during the period, subject to a floor price.

NOTE 28— EVENTS AFTER THE REPORTING DATE (Cont.)

As a result of the issuance of the warrants, the exercise price of the warrant to purchase 129,412 ordinary shares issued in an earlier financing transaction on December 30, 2024 automatically decreased from \$8.5 to \$5.00 per share. While the Company is currently in default of certain terms under the Julestar Loan Agreement, it is in discussions with Julestar to restructure its obligations thereunder.

4. Settlement of Dominion Capital LLC Suit

As discussed in Note 22(5) above, in December 2023, Dominion, sued the Company in a New York State Court alleging that the Company failed to repay \$2.5 million that Dominion allegedly disbursed on behalf of the Company pursuant to a promissory note. Dominion asserted that it was entitled to damages in the amount of the loan principal plus interest and attorneys' fees and was awarded summary judgment. Dominion also submitted to the Tel Aviv District Court a petition to commence insolvency proceedings.

On February 20, 2025, the Company and Dominion agreed to settle the claims for \$4.5 million, 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. Dominion agreed that, upon receipt of the first installment payment, it will file a motion to stay the Israeli insolvency proceedings, and upon receipt of the second installment payment, it will file a motion to cancel the Israeli insolvency proceedings.

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 does not bear interest and is repayable by way of conversion into the Company's ordinary shares on February 20, 2030, subject to earlier conversion by Claymore. The note is convertible into ordinary shares at a rate equal to 25% below the lower of (i) the closing price per share of the ordinary shares immediately preceding the conversion and (ii) the volume-weighted average price of the ordinary shares over the five trading days prior to the conversion, subject to a collar between \$15 and the Nasdaq floor price.

In the event Claymore defaults on its installment payment obligations to Dominion, the principal amount of the note will be reduced by 1.667 times the amount of such installment. The Company also undertook to grant Claymore liens on the Company's shares in BST, and on incoming revenues of the Company in the amount of \$6 million in the event that an insolvency event occurs prior to August 20, 2025 or if Nasdaq does not grant the Company the opportunity to come into compliance with its listing conditions by no earlier March 31, 2025.

5. Settlement of Oppenheimer & Co. Suit

As previously reported, on June 12, 2023, Oppenheimer filed a claim against the Company in the United States District Court for the Southern District of New York alleging, among other things, breach of contract, breach of covenant of good faith and fair dealing and quantum meruit, in connection with investment banking advice and services provided by Oppenheimer in connection with the Company's 2023 business combination with Mount Rainier Acquisition Corp. The complaint alleged that the Company owes Oppenheimer in excess of \$12 million (as well as its costs and legal fees associated with the claim) with regards to the business combination, pursuant to a financial advisory agreement entered into by and between Oppenheimer and the Company in December 2021.

Effective February 19, 2025, the Company and Oppenheimer agreed to settle the claim for \$3 million, with \$1.1 million 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).

NOTE 28– EVENTS AFTER THE REPORTING DATE (Cont.)

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 Oppenheimer. In consideration, the Company issued Claymore a convertible note in the principal amount of \$6 million. The note does not bear interest and is repayable by way of conversion into the Company's ordinary shares on February 18, 2030, subject to earlier conversion by Claymore. The note is convertible into ordinary shares at a rate equal to 25% below the lower of (i) the closing price per share of the ordinary shares immediately preceding the conversion and (ii) the volume-weighted average price of the ordinary shares over the five trading days prior to the conversion, subject to a collar between \$15 and the Nasdaq floor price.

In the event Claymore defaults on its payment obligations, the principal amount of the note will be reduced by twice the amount of such payment. The Company also undertook to grant Claymore liens to secure the Company's repayment obligations under the note, following the repayment of note issued to JJ Astor & Co. on December 30, 2024 and the Company's receipt of the consent of the applicable senior lien.

6. Debt Restructuring

On February 17, 2025, the Company and Tamas Gottdiener (the "Investor") agreed to amend the terms of the various series of convertible notes and warrants previously purchased by the Investor. Pursuant to the amended terms, the maturity date of each of the convertible 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 warrants previously issued to the Investor in connection with four tranches of investments during the course of 2024, which are exercisable for an aggregate of 1,294,444 ordinary shares, was changed to a unified exercise price of NIS 17.77 (being the NIS equivalent of \$5 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 warrants was extended to a unified end date of February 17, 2030. Prior to the amendment, the various warrants had exercise prices ranging from \$5 to \$7 per share and expiration dates during the course of 2027. The Company also issued to the Investor an additional warrant exercisable into 205,556 ordinary shares at an exercise price of \$5 per share and a pre-funded warrant exercisable into 1,000,000 ordinary shares, in each case until February 17, 2030. Like the previously issued warrants, the exercise of the new warrants will be limited to the extent that, upon the exercise of the new warrants, the Investor would not beneficially own more than 4.99% of our outstanding ordinary shares.

Additionally, pursuant to the amended terms, the Investor will sell all or a significant portion of the notes to a third party who will convert the notes and attempt to sell the resulting conversion shares. The Investor agreed by no later than April 2, 2025, to inform the Company in writing of the amount of proceeds the 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 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 Investor holds unsold conversion shares, then warrants held by the 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.

NOTE 28— EVENTS AFTER THE REPORTING DATE (Cont.)

7. Promissory Notes

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

The Note Investors have 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 \$5,000 thousand, subject to certain conditions.

The conversion of the Promissory Notes will be limited to the extent that, upon their conversion, a Note Investor and its affiliates would in aggregate beneficially own more than 4.99% of the Company’s outstanding share capital at any time.

8. ELOC Transaction

Concurrently with the investment by the Note Investors described above, and as part of the Company’s compliance plan presented to the Nasdaq Hearings Panel (the “Panel”) on February 6, 2025, following which the Panel granted the Company’s request to continue its listing on The Nasdaq StockMarket, the Company entered into an Ordinary Shares Purchase Agreement (the “ELOC Purchase Agreement”) with the Lead Investor, pursuant to which the Company has the right to sell to the Lead Investor up to an aggregate of \$50 million of newly issued ordinary shares (the “ELOC Shares”). The Company intends to sell ELOC Shares if it determines that such sale would be advisable in order to comply with the Nasdaq market value listing requirement.

As consideration for the Lead Investor’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 the Lead Investor a note in a principal amount of \$1,000 thousand, does not bear interest, and has a maturity date of December 11, 2025 (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 the Lead Investor 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 Securities and Exchange Commission 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, the Lead Investor and its affiliates would in aggregate beneficially own more than 4.99% of the Company’s outstanding share capital at any time.

NOTE 28— EVENTS AFTER THE REPORTING DATE (Cont.)

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

The Company does not have a right to commence any sales of ELOC Shares to the Lead Investor 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 the Lead Investor. Actual sales of shares of ELOC Shares to the Lead Investor 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 Promissory Notes.

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 \$0.50 (the “Fixed Purchase Date”), the Company may direct the Lead Investor 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 the Lead Investor’s committed obligation under any single Fixed Purchase shall not exceed \$50 thousand.

In addition to Fixed Purchases, on any business day on which the Company has directed the Lead Investor to purchase the maximum allowable Fixed Purchase amount, the Company may also direct the Lead Investor 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 the Lead Investor to make a VWAP Purchase (such period, the “VWAP Purchase Period”), provided, that the Lead Investor’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 the Lead Investor 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 the Lead Investor to make an Additional VWAP Purchase (such period, the “Additional VWAP Purchase Period”), and (ii) the lowest sale price on such day, provided, that the Lead Investor’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.

The Lead Investor’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 the Lead Investor and its affiliates beneficially owning more than 4.99% of the Company’s outstanding share capital at any time.

NOTE 28— EVENTS AFTER THE REPORTING DATE (Cont.)

9. Shayna agreement

On January 26, 2025 a settlement agreement was signed between BST, Shayna and an additional individual investor, pursuant to which Akina, Shayna and the additional individual investor waived, among other things, on any rights they were still entitled to under the Convertible Loan Agreements signed between Hub and Shayna on February 23, 2023, June 11, 2023 and July 7, 2023, as amended on August 17, 2023, and as amended and signed by Hub, Shayna and Akina on March 31, 2024 (First Amendment to Convertible Loan Agreements), April 18, 2024 (Second Amendment to Convertible Loan Agreements) and May 9, 2024 (Third Amendment to Convertible Loan Agreements), including on any right to the allocation of shares and/or to the exercise of warrants under said Convertible Loan Agreements as amended.

Under the terms of the settlement agreement, and in lieu of said waived shares and warrants, it was agreed that of the total amount of Company shares which were to be allocated to BST under the terms of the merger agreement between BST and the Company, Shayna will be granted 320,000 shares of the Company, and the individual investor will be granted 184,560 shares of the Company. For the avoidance of doubt, said figures are both pre-split, both include shares that Shayna and the individual investor were already entitled to receive under the terms of the Merger Agreement as existing shareholders of BST, and were both subject to the lock-up restrictions stipulated in the Merger Agreement with regards to shares allocated to BST.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers

Under the Companies Law 5759–1999 (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. Our articles of association 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, 5728-1968 (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.

Our articles of association 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.

Item 7. Recent Sales of Unregistered Securities.

During the past three years, we issued securities which were not registered under the Securities Act as set forth below. We believe that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act, Rule 701 and/or Regulation S under the Securities Act.

The following is a summary of transactions during the preceding three fiscal years (and in the current year through August 29, 2025) involving sales of our securities that were not registered under the Securities Act (we have adjusted the number of shares, options and RSUs to reflect the Reverse Split on a retroactive basis):

- We have granted options to our directors, officers, employees and consultants to purchase an aggregate of 3,756 ordinary shares, under the HUB Cyber Security Ltd. 2007 Stock Option Plan.
- We have granted options to our directors, officers, employees and consultants to purchase an aggregate of 15,240 ordinary shares, under the HUB Cyber Security Ltd. 2021 Stock Option Plan.

- We have granted our directors, officers, employees and consultants 366,160 RSUs under the HUB Cyber Security Ltd. 2021 Stock Option Plan, of which 142,612 were cancelled and 195,106 remain outstanding.
- We issued an aggregate of 63,991 shares to Eldav Investments Ltd., pursuant to an agreement for the purchase of the entire issued and outstanding share capital of Comsec Ltd.
- In connection with the closing of the Business Combination Agreement with Mount Rainier Acquisition Corp., on February 28, 2023 we issued 3,976 ordinary shares to certain investors for gross proceeds of approximately \$4 million as a partial fulfilment of the PIPE commitment.
- In connection with an offering in Israel in February 2022 we issued 68,837 ordinary shares and 6,885,632 Prior Warrants, which can be exercise into 68,837 ordinary shares.
- On December 28, 2022, in connection with investment agreements with The 12.64 Fund, a company in which Mr. Hershcoviz, our Chief Executive Officer, served as Managing General Partner, we issued 43,121 ordinary shares, and warrants to purchase 43,121 ordinary shares at an exercise price of \$24.10 per ordinary share.
- In January 2023 we entered into a loan agreement with A-Labs Finance and Advisory Ltd. (“A-Labs”), a company in which Mr. Hershcoviz, our Chief Executive Officer, served as Managing Partner, Head of Investing Banking, 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. In connection with the A-Labs Loan we issued to A-Labs warrants to purchase the 407,692 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 Loan was converted into our ordinary shares at a conversion price of \$100 per ordinary share. In December 2022, we amended the A-Labs Loan agreement to provide that for each financing transaction closed, in addition to paying a commission to A-Labs in cash, we would be required to issue warrants to purchase ordinary shares in an amount equal to the cash consideration that would otherwise be payable under the financial advisory services agreement divided by 4.81, which warrants shall be exercisable for 4 years and at an exercise price of NIS 4.81 (regardless of the price per share paid by investors in the relevant financing transaction). In August 2023, we received from A-Labs a waiver of the retainer fees for the services. Nevertheless, as of the date of this prospectus, there remains unpaid fees of \$3,298,000 under the A-Labs Agreement.

- On February 28, 2023, in connection with the closing of the Business Combination Agreement, we issued a Convertible Note to A.G.P./Alliance Global Partners (“AGP”) in the principal amount of approximately \$5.2 million, out of which \$500 thousand were converted into 67,016 ordinary shares.

On November 22, 2024, we and AGP entered into an amended and restated convertible note agreement (the “Amended Note”), which contemplates that 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 \$320,000 and final conversion \$230,000). Upon each conversion, 1/7 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 \$1.8 million is not converted by May 30, 2025, the terms of the Convertible 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 \$0.40 floor. However, the floor price may be adjusted downward after three months if the market price falls below the floor price. 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 67,016 ordinary shares, while the remaining amount of \$570 thousand, which was subject to the Amended Note, converted into 218,986 ordinary shares.

The Company and AGP are currently in discussions regarding the terms of the Amended Note and the remaining balance thereunder.

- On February 28, 2023, in connection with the closing of the Business Combination Agreement, we issued a Convertible Note to a service provider in the principal amount of approximately \$350,000, bearing interest of 6% per annum, which matured on March 1, 2024.
- On February 28, 2023, in connection with the closing of the Business Combination Agreement, we issued a Senior Secured Promissory Note to Dominion Capital LLC in the principal amount of \$2.5 million.
- On March 28, 2023, we and Dominion Capital LLC and its affiliates (together, “Dominion”) entered into an Equity Purchase Agreement, whereas pursuant thereto we, may, but are not required to, issue up to \$100,000,000 of the Company’s ordinary shares to Dominion over the course of 36 months from the date thereof. As consideration for Dominion’s purchase commitment, we issued to Dominion 10,000 ordinary shares as a commitment fee.

- 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 (“Lind”), for the issuance of up to two secured convertible promissory notes in three tranches (the “Lind Notes”) for gross proceeds of up to \$16,000,000, and associated warrants (the “Lind Warrants”). On May 8, 2023, we issued Lind Note with \$6,000,000 purchase price and \$7,200,000 principal amount, plus Lind Warrants for 245,821 ordinary shares. We received \$4,500,000 at closing and \$1,500,000 subsequently. Pursuant to an amendment, on August 24, 2023, Lind agreed to fund an additional \$1,000,000 and we increased the Lind Note’s principal amount from \$7.2 million to \$9.0 million and amended its conversion price to \$4.50. We also issued additional Lind Warrants to purchase 254,179 ordinary shares, bringing the total under the initial Lind Warrant to 500,000 ordinary shares, and amended the Lind Warrant exercise price to \$4.50 per ordinary share. In connection with the additional \$1,000,000 funding, we issued Lind a new warrant to purchase 250,000 ordinary shares with an exercise price of \$4.50 per ordinary share. Pursuant to an amendment on November 28, 2023, additional \$500,000 cash funding was received from Lind immediately. We also amended the definitions in the Lind SPA to decrease the “Second Funding Amount” from \$10.0 million to \$9.5 million and the “Second Principal Amount” from \$12.0 million to \$11.4 million. As consideration for this amendment, we increased the Lind Note’s principal amount from \$9.0 million to \$9.6 million and amended its conversion price from \$4.50 to \$3.50. We also issued additional Lind Warrants to purchase 142,857 ordinary shares, raising the total under the Lind Warrants to 892,857 ordinary shares, and amended the Lind Warrant exercise price from \$4.50 to \$3.50 per ordinary share. Following price adjustment provisions and anti-dilution protections, the number of shares purchasable under the Lind Warrants was adjusted to 624,999 ordinary shares at \$5.00. As of the date hereof, Lind has converted the principal amount of \$9.6 million of the Lind Note into our ordinary shares, resulting in the issuance of 927,119 ordinary shares. Lind has also exercised Lind Warrants using a cashless exercise formula to purchase 360,268 ordinary shares at an exercise price of \$4.00.
- On February 23, 2023, June 11, 2023, and July 7, 2023, we entered into Convertible Loan Agreements (the “Shayna Loan Agreements”) with Shayna LP, a Cayman Islands company (“Shayna”), for amounts of NIS 10.0 million (approximately \$2.8 million), NIS 5.0 million (approximately \$1.4 million), and NIS 1.85 million (approximately \$500,000), respectively. These Shayna Loans were subsequently amended in March-May 2024 through 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, superseding all original interest, conversion, and warrant provisions. Pursuant to amendments of the loan agreements between March and May 2024, Akina became entitled to convert the Shayna Loans into a total of 512,937 ordinary shares at \$9.00 per share and Akina was entitled to receive warrants for 389,745 ordinary shares and Shayna was entitled to receive warrants for 123,192 ordinary shares. On May 9, 2024, a cash payment of \$1,150,800 for Shayna’s consulting services under the Convertible Loan Agreements was converted into 127,866 ordinary shares of the Company, calculated at a price of \$9.00 per share, which were later issued in June 2025. Additionally, Shayna was issued a warrant to purchase 127,866 ordinary shares at an exercise price of \$8.00 per share, with an exercise period of six months, which was exercised in May 2024. As of the date hereof, Akina has converted the loan under the Convertible Loan Agreements into our ordinary shares, resulting in our issuance of 512,937 ordinary shares. Akina has also exercised a warrant and purchased 448,230 ordinary shares at an exercise price of \$9.00. Furthermore, on January 26, 2025, BST, Shayna, and Akina entered into a settlement agreement and general release, which fully released and discharged all outstanding obligations and claims under the Shayna Loan Agreements, as amended. As a result, no further claims, demands, or obligations remain outstanding among the parties with respect to these agreements.
- Between November 2023 and January 2024, we issued to certain accredited investors pursuant to Securities Purchase Agreements (the “First 2023-2024 Accredited Investor SPAs”): (i) convertible notes with an aggregate principle amount of \$3,100,000 upon the conversion of which we issued 181,689 ordinary shares and (ii) warrants exercisable into one ordinary share for each ordinary share issuable upon conversion of the notes’ principal of which we issued 16,796 ordinary shares to these certain accredited investors upon full conversion at closing price on respective issuance dates (weighted average exercise price \$23.30). In February 2025, the parties to the First 2023-2024 Accredited Investor SPAs agreed to amend the terms of the First 2023-2024 Accredited Investor SPAs and Warrants, such that the exercise price for these warrants was unified to \$10.00 per share, and we issued an additional warrant exercisable into 173,881 ordinary shares at an exercise price of \$10.00 per share. We also issued 142,020 ordinary shares to the investors of the First 2023-2024 Accredited Investors SPA.
- In March 2024, we issued to certain accredited investors pursuant to Securities Purchase Agreements (the “Second 2023-2024 Accredited Investors SPAs”): (i) convertible notes with an aggregate principle amount of \$550,000 convertible at arithmetic average of 5-day VWAP (minimum \$15.00), with no interest and repayable by March 14, 2027, subject to earlier conversion, and (ii) warrants exercisable into 20,000 ordinary shares until September 14, 2025, at \$15.00 exercise price. As of December 31, 2024, the Company issued an aggregate of 181,689 ordinary shares following the conversion of the convertible notes by the investors. The exercise of the warrants is limited such that, upon their exercise, an investor and its affiliates would not beneficially own more than 4.99% of our outstanding ordinary shares. In February 2025, the parties to the Second 2023-2024 Accredited Investor SPAs agreed to amend the terms of the Second 2023-2024 Accredited Investor SPAs, the convertible notes and associated warrants. The exercise price of the related warrants was changed to a unified \$11.50 per share, and we issued additional warrants exercisable into 173,881 ordinary shares at an exercise price of \$10.00 per share. The conversion price of the convertible notes was changed to a unified \$11.42 per share. These convertible notes were subsequently fully converted by the investors of the Second 2023-2024 Accredited Investor SPAs.

- On August 18, 2024, we issued to multiple private investors (i) convertible notes with an aggregate principal amount of approximately \$4.0 million and (ii) warrants exercisable into approximately 470,000 ordinary shares at an exercise price of \$7.143 per ordinary share, subject to adjustment. On August 18, 2024, we also issued to Claymore Capital PTY Ltd. (“Claymore”), the placement agent for the foregoing transaction, warrants exercisable into approximately 110,000 ordinary shares exercisable for a period of three years at an exercise price of \$7.143 per share.
- Between March and June 2024, we sold to Tamas Gottdiener, an accredited investor (the “Investor”), a Series of convertible notes totaling \$11,000,000 principal pursuant to Securities Purchase Agreement. Proceeds partially funded acquisition of remaining QPoint shares for 100% ownership. Notes were repayable: \$1,000,000 by November 29, 2024; remaining \$10,000,000 by earlier of (i) August 10, 2024 (\$4,000,000) and September 24, 2024 (\$6,000,000), or (ii) five business days after \$25,000,000 financing closing. The notes carry variable interest rates: for \$8,000,000 principal, 7% if repaid by May 12, 2024, sliding scale 7%-8.5% if repaid May 12-June 12, 2024, and 8.5% plus 15% per annum if repaid thereafter; for \$2,000,000 principal, 10% if repaid by September 24, 2024, and 10% plus 15% per annum thereafter; for \$1,000,000 principal, 8.5% if repaid by November 29, 2024, and 8.5% plus 15% per annum thereafter. If unpaid by maturity, the notes are convertible at arithmetic average of 5-day closing price (minimum \$5.00 per share). The loan amount is secured by a pledge on QPoint’s shares. We issued warrants in connection with the financing as follows: 444,444 shares at \$7.00 (expiring March 2027); 400,000 shares at \$7.00 (expiring April 2027); 100,000 shares at \$5.00 (expiring June 2027); 200,000 shares at \$7.00 (expiring June 2027); 150,000 shares at \$5.50 (expiring June 2027). On February 17, 2025, the Company and the Investor agreed to amend the terms of the notes and warrants previously purchased by the Investor, for extended maturity to August 16, 2025, which was extended for six additional months; increased interest to 20% per annum from April 1, 2025 if unpaid; unified warrant exercise price to \$5.00 with extended term to February 17, 2030. We issued additional warrant for 205,555 shares at \$5.00 and pre-funded warrant for 1,000,000 shares. Investor agreed to sell notes to third party for conversion and share sale, with Company deemed to have repaid principal equal to sale proceeds. If sale proceeds less than principal plus interest, Company will issue new convertible note for shortfall amount at 20% interest.

The conversion of the notes and the exercise of the warrants of the Investor are limited such that, upon conversion or exercise, the Investor and its affiliates would not beneficially own more than 4.99% of our outstanding ordinary shares.

On August 16, 2025, the Company entered into a Fifth Amendment to the Securities Purchase Agreement with the 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 Investor, pursuant to a separate note purchase and assignment agreement dated August 20, 2025. The amendment maintains all 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 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 Investor converted \$1,500,000 of the June 26, 2024 note at a conversion price of \$3.00 per share, resulting in the issuance of 500,000 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 Investor will be considered fully satisfied.

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) 3.00 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%.

- In November and December 2024, Claymore and investors introduced by Claymore provided the Company: (i) \$500,000 bridge loan at 10% interest (increasing 5% weekly if unpaid after December 17, 2024), (ii) \$250,000 in a follow-on investment for convertible note (\$302,500 face amount) convertible at \$0.70 and warrant, exercisable for three years, for 175,000 shares at \$1.00, (iii) \$1,150,000 financing for convertible notes (\$1,391,500 principal) convertible at \$5.00 and warrants, exercisable for three years, for 164,285 shares at \$7.143, and (iv) \$1,262,500 bridge financing for notes (\$1,402,778 principal) convertible at \$5.00 if unpaid and warrants for 126,250 shares at \$5.00. The notes are unsecured, bear no interest unless unpaid by the maturity date (when 5% monthly interest accrues), and are repayable by the earlier of six months from issuance or five business days after a \$10,000,000 financing or the sale of the Qpoint subsidiary. The conversion of the convertible note and the exercise of warrant will be 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 our outstanding ordinary shares. Claymore received placement fees of \$80,500 in cash, 115,000 ordinary shares, and a warrant to purchase 38,333 ordinary shares on the same terms as the investors' warrants. The Company extended its consulting agreement with Claymore for 12 months, with a monthly fee of \$15,000.

Between January and February 2025, Claymore provided the Company with (i) a \$1,467,000 investment for convertible notes with a two-year term bearing no interest (\$1,775,070 principal) convertible at \$5.00 and warrants, exercisable for three years, for 209,571 shares at \$7.143. Claymore's placement fees were \$102,690 in cash, 146,700 ordinary shares, and a warrant to purchase 48,900 ordinary shares on the same terms, and (ii) a 255,000 loan at 19% interest, with maturity extended from April 18 to May 18, 2025 maturity. Claymore received pre-funded warrants to purchase 12,500 ordinary shares as fees for this loan, and an additional pre-funded warrant to purchase 25,000 ordinary shares for the extension.

In March 2025, Claymore extended a \$200,000 loan (\$300,000 face value), subsequently repaid. Claymore received pre-funded warrants for 15,000 shares.

In April 2025, Claymore made follow-on investments totaling \$1,089,290 investment for convertible notes (\$1,318,040 principal) convertible at \$7.00 (with minimum \$5.00) and warrants for 155,613 shares at \$10.00. Claymore's placement fees for these follow-on investments in April 2025 amounted to \$76,250 in cash, a pre-funded warrant to purchase 367,858 ordinary shares, and a warrant to purchase 108,929 ordinary shares.

In June 2025, Claymore made follow-on investments totaling \$2,400,000 investment for convertible notes (\$2,760,000 principal) convertible at \$3.00 and prefunded warrants to purchase an aggregate of 300,000 ordinary shares.

In July 2025, an accredited investor introduced by Claymore made follow-on investment totaling \$1,000,000 investment for convertible notes (\$1,150,000 principal) convertible at \$3.00. Claymore's placement fees for these follow-on investments in July 2025 amounted to a pre-funded warrant to purchase 200,000 ordinary shares.

In August 2025, Claymore entered into an agreement for a follow-on investment in the Company totaling \$500,000 for convertible notes (\$575,000 principal) convertible at \$3.00 and prefunded warrants to purchase an aggregate of 100,000 ordinary shares.

The conversion of notes and exercise of warrants issued in all the foregoing financings by Claymore and the other investors are limited to the extent that, upon conversion or exercise, the holder and its affiliates would not beneficially own more than 4.99% of our outstanding 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 500,000 ordinary shares at \$3.00 per share, for total proceeds of \$1.5 million. Specifically, 250,000 shares were purchased in July 2025 for \$750,000 and 250,000 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 560,000 ordinary shares (280,000 ordinary shares in July 2025 and 280,000 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.

- On December 30, 2024, we entered into a Loan Agreement with J.J. Astor & Co. (“Astor”) pursuant to which Astor loaned us \$2,200,000 for promissory note with \$2,750,000 principal (net proceeds \$2,087,000). Payable in 40 weekly installments of \$68,750 in cash or registered shares. Upon default, convertible at 80% of average of four lowest VWAP prices over 20 trading days prior to conversion (minimum 20% of such average). The Company issued 5-year warrant for 1,294,118 shares at \$8.50 exercise price.

On May 28, 2025, we entered into a \$1,560,000 loan with J.J. Astor & Co., evidenced by a \$1,853,750 installment convertible note payable in 40 weekly installments. The note is non-interest bearing unless in default, includes a \$926,875 holdback, and is convertible at 80% of the 4 lowest VWAPs over 20 days, subject to a floor. We also issued a 5-year warrant for 631,579 shares at \$2.47, with full ratchet protection and a 4.99% ownership cap.

As of the date hereof, the Company paid Astor back \$840,000 of the initial Loan Agreement 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 1,479,153 ordinary shares.

- Between March and April, 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 \$2,187,500 for an aggregate purchase price of \$1,750,000 (plus 25% original issue discount). The March 2025 Notes mature on December 11, 2025 (\$1,625,000) and January 30, 2026 (\$562,500), do not bear interest, and include a prepayment option at a premium of 125%. In addition, the Company is 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 have 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 will be 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.

On August 27, 2025, we entered into the August 2025 SPA, providing for the issuance of subordinated convertible notes (the “August 2025 Notes”) in the aggregate original principal amount of up to \$20,000,000 to certain accredited investors, including Keystone. The August 2025 SPA permits closings over a one-year period at Keystone’s election. At the initial closing, we issued August 2025 Notes in the aggregate original principal amount of \$8,640,625 for \$7,718,750 in aggregate purchase price, consisting of \$4,625,000 in cash proceeds and the exchange of previously issued notes with an aggregate principal amount of \$2,187,500. The August 2025 Notes issued for cash were issued with a 20% original issue discount, while the August 2025 Notes issued in exchange for outstanding notes were issued at a 10% discount. The August 2025 Notes mature on August 27, 2027 and bear interest at 4% per annum, payable quarterly in ordinary shares (subject to certain conditions including effectiveness of a resale registration statement) or cash at the Company’s option. The August 2025 Notes are subordinated to existing senior indebtedness not to exceed \$25 million in aggregate. The August 2025 Notes are convertible into ordinary shares at an initial conversion price of \$2.88 per share, subject to anti-dilution adjustments. Holders may elect an alternate conversion price at the lower of the fixed conversion price or 95% of the lowest VWAP during the five days up to and including the conversion date, subject to a \$1.00 floor price.

We also issued warrants to purchase 1,500,108 ordinary shares with an initial exercise price of \$3.60 per share. The warrant exercise price is subject to decrease on days 30, 60 and 90 following closing to 20% below the prevailing market price at such time. The warrants have a three-year term and permit cashless exercise after six months if no resale registration statement is in effect.

Both the August 2025 Notes and warrants are subject to a beneficial ownership limitation of 4.99% (increasable to 9.99% with 61-day notice and shareholder approval). We are required to reserve 200% of the shares issuable upon conversion of all August 2025 Notes and warrants. The August 2025 Notes contain various redemption provisions, including mandatory redemption rights for holders upon events of default at 120% of the conversion amount, and optional redemption rights in connection with subsequent placements and asset sales. Holders have participation rights in future financings for their pro-rata portion of 30% of any subsequent placement. Rodman & Renshaw LLC acted as sole placement agent and received fees consisting of \$300,000 in cash and warrants to purchase 20,833 ordinary shares on substantially the same terms as the investor warrants, except for the potential adjustment of the exercise price on days 30, 60 and 90.

- On February 21, 2025, HUB entered into a loan agreement with PrivCap Funding, LLC for \$175,000, with a total repayment obligation of \$235,000 due by March 1, 2025. The loan proceeds were used for marketing services. In connection with the loan, HUB modified existing warrants held by Daniel Cohen, increasing the aggregate exercise price to \$1,200,000 at \$0.50 per share, and issued 200,000 new warrants to Jamie Goldstein at the same exercise price.

On August 6, 2025, HUB settled the loan obligation through an equity settlement, agreeing to transfer a minimum of \$275,000 worth of unrestricted common shares to Cohen by August 22, 2025. The settlement releases all parties from claims related to the original loan agreement.

On August 21, 2025 Hub issued 110,000 ordinary shares to PrivCap Funding pursuant to the aforementioned settlement agreement.

- In July 2025, we agreed to re-issue warrants to purchase an aggregate of 2,496,087 ordinary shares to investors who participated in our financing in April 2022 of ordinary shares and warrants. The warrants are exercisable for cash at a price of \$8.00 per share and expire on January 14, 2027. As of August 31, 2025, such warrants to purchase an aggregate of 2,333,536 ordinary shares have been issued. 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 \$8.00 per share for ten trading days in a period of 20 consecutive trading days. 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.

Item 8. Exhibits and Financial Statement Schedules.

(a) The Exhibit Index is hereby incorporated herein by reference.

(b) Financial Statement Schedules.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the Consolidated Financial Statements and related notes thereto.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or any decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act of 1933 need not be furnished, *provided*, that the Registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.
- (5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
 - (i) If the Registrant is relying on Rule 430B:
 - (A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

- (ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes:

- (1) That for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit No.	Description	Incorporation by Reference				Filed / Furnished
		Form	File No.	Exhibit No.	Filing Date	
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.	20-F	001-41634	2.1	May 1, 2025	
5.1	Opinion of Goldfarb Gross Seligman & Co., Israeli counsel to the Registrant					***
10.1††	Form of Director and Officer Indemnification Agreement.	F-4	333-267035	10.11	November 17, 2022	
10.2††	Compensation Policy for Directors and Officers.	6-K	001-41634	Annex A to Exhibit 99.1	October 5, 2023	
10.3††	Specimen Ordinary Share Certificate of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	4.7	November 17, 2022	
10.4††	2007 Employee Stock Option Plan, as amended	20-F	001-41634	4.4	May 1, 2025	
10.5††	2021 Employee Stock Option Plan, as amended	20-F	001-41634	4.5	May 1, 2025	
10.6	Sponsor Support Agreement, dated as of March 23, 2022, by and among Mount Rainier Acquisition Corp., Hub Cyber Security (Israel) Ltd. and initial stockholders of Mount Rainier Acquisition Corp.	F-4	333-267035	10.4	August 24, 2022	
10.7	Form of Amended and Restated Warrant Agreement, by and among Mount Rainier Acquisition Corp., Hub Cyber Security (Israel) Ltd. and American Stock Transfer & Trust Company, LLC, as warrant agent.	F-4	333-267035	4.9	August 24, 2022	
10.8	Registration Rights Agreement, dated March 23, 2022, by and among HUB Cyber Security (Israel) Ltd., certain security holders of HUB Cyber Security (Israel) Ltd. and certain security holders of Mount Rainier Acquisition Corp.	F-4	333-267035	4.10	August 24, 2022	
10.9	Form of Amended and Restated Convertible Note dated November 22, 2024	20-F	001-41634	4.9	May 1, 2025	
10.10	Form of Registration Rights Agreement dated February 28, 2023	20-F	001-41634	4.10	August 15, 2023	
10.11	Demand Promissory Note, dated February 28, 2023, by and between HUB Cyber Security Ltd. and Dominion Capital LLC	20-F	001-41634	4.11	August 15, 2023	
10.12	First Amendment to Senior Secured Demand Promissory Note dated March 28, 2023, by and between HUB Cyber Security Ltd. and Dominion Capital LLC	20-F	001-41634	4.12	August 15, 2023	
10.13	Equity Purchase Agreement, dated March 28, 2023 by and between HUB Cyber Security Ltd. and Dominion Capital LLC	6-K	001-41634	99.1	March 30, 2023	
10.14	Securities Purchase Agreement, dated May 4, 2023 by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC	6-K	001-41634	99.1	May 8, 2023	
10.15	Form of Convertible Promissory Note	6-K	001-41634	99.2	May 8, 2023	
10.16	Form of Warrant	6-K	001-41634	99.3	May 8, 2023	

10.17	<u>First Amendment to Securities Purchase Agreement, Senior Secured Convertible Promissory Note and Warrant, by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC, dated August 24, 2023.</u>	6-K	001-41634	99.1	August 25, 2023
10.18	<u>Second Amendment to Securities Purchase Agreement, Senior Secured Convertible Promissory Note and Warrant, by and between HUB Cyber Security Ltd. and Lind Global Asset Management VI LLC, dated November 28, 2023.</u>	6-K	001-41634	99.1	November 29, 2023
10.19	<u>English Translation of Convertible Loan Agreement, dated June 11, 2023, by and between, Hub Cyber Security Ltd. and Shayna L.P.</u>	20-F	001-41634	4.18	August 15, 2023
10.20	<u>English Translation of Convertible Loan Agreement, dated July 9, 2023, by and between, Hub Cyber Security Ltd. and Shayna L.P.</u>	20-F	001-41634	4.19	August 15, 2023
10.21	<u>Financial Advisory Services Agreement dated as of July 20, 2021, by and between Hub Cyber Security Ltd. and A-Labs Finance and Advisory Ltd.</u>	20-F	001-41634	4.20	August 15, 2023
10.22	<u>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.</u>	20-F	001-41634	4.21	August 15, 2023
10.23	<u>English Translation of Loan Agreement, dated January 16, 2023 by and between HUB Cyber Security Ltd. and A-Labs Finance and Advisory Ltd.</u>	20-F	001-41634	4.22	August 15, 2023
10.24	<u>Commitment Letter, dated November 16, 2021 by and among, Bank Mizrahi Tefahot Ltd, HUB Cyber Security Ltd. and Comsec Ltd.</u>	20-F	001-41634	4.23	August 15, 2023
10.25	<u>Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.26	August 16, 2024
10.26	<u>Form of Amendment to Securities Purchase Agreement by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.26	May 1, 2025
10.27	<u>Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and First 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.27	August 16, 2024
10.28	<u>Form of Warrant issued by HUB Cyber Security Ltd. to First 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.28	August 16, 2024
10.29	<u>Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.29	August 16, 2024
10.30	<u>Form of Amendment to Securities Purchase Agreement by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.30	May 1, 2025
10.31	<u>Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and Second 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.30	August 16, 2024
10.32	<u>Form of Warrant issued by HUB Cyber Security Ltd. to Second 2023-2024 Accredited Investors.</u>	20-F	001-41634	4.31	August 16, 2024
10.33	<u>Form of Securities Purchase Agreement by and between HUB Cyber Security Ltd. and March-November 2024 Investor.</u>	20-F	001-41634	4.32	August 16, 2024

10.34	Amendment to Securities Purchase Agreement, Warrant and Note, dated April 3, 2024.	20-F	001-41634	4.33	August 16, 2024
10.35	Second Amendment to Securities Purchase Agreement, Warrants and Notes, dated June 26, 2024.	20-F	001-41634	4.34	August 16, 2024
10.36	Third Amendment to Securities Purchase Agreement, Warrants and Notes, dated November 5, 2024.	20-F	001-41634	4.36	May 1, 2025
10.37	Fourth Amendment to Securities Purchase Agreement, Warrants and Notes, dated February 17, 2024.	20-F	001-41634	4.37	May 1, 2025
10.38	Form of Convertible Promissory Note by and between HUB Cyber Security Ltd. and Tamas Gottdiener.	20-F	001-41634	4.35	August 16, 2024
10.39	Form of Warrant issued by HUB Cyber Security Ltd. to Tamas Gottdiener.	20-F	001-41634	4.36	August 16, 2024
10.40	Fifth Amendment to Securities Purchase Agreement dated August 16, 2025 between Hub Cyber Security Ltd. and Tamas Gottdiener.				*
10.41	Note Purchase and Assignment Agreement dated August 20, 2025 between Tamas Gottdiener and Seven Knots, LLC.				*
10.42	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
10.43	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
10.44	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 Telemangement Services Ltd., dated April 3, 2024.†	20-F	001-41634	4.37	August 16, 2024
10.45	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
10.46	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
10.47	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
10.48	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
10.49	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
10.50	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
10.51	Specimen Warrant Certificate of HUB Cyber Security (Israel) Ltd.	F-4	333-267035	4.8	November 17, 2022
10.52	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

10.53	Form of Convertible Note issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.43	September 13, 2024
10.54	Form of Warrant issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.44	September 13, 2024
10.55	Form of Placement Agent Warrant issued by HUB Cyber Security Ltd. on August 18, 2024	F-1	333-282109	10.45	September 13, 2024
10.56	Business Combination Agreement, dated as of March 23, 2022, by and among HUB Cyber Security Ltd., Mount Rainier Acquisition Corp. and Rover Merger Sub (included as Annex A to the prospectus).	F-4	333-267035	-	August 24, 2022
10.57	Collaboration and Option Agreement by and between HUB Cyber Security Ltd. and BlackSwan Technologies, Inc.	F-1	333-282109	10.47	September 13, 2024
10.58	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
10.59	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
10.60	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
10.61	Form of December 2024 Warrant	F-1/A	333-282109	10.52	December 31, 2024
10.62	Form of December 2024 Convertible Note	F-1/A	333-282109	10.53	December 31, 2024
10.63	Form of Pledge and Security Agreement	F-1/A	333-282109	10.54	December 31, 2024
10.64	Form of Subsidiary Guarantee	F-1/A	333-282109	10.55	December 31, 2024
10.65	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
10.66	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
10.67	Form of Julestar Warrant	20-F	001-41634	4.65	May 1, 2025
10.68	Form of Julestar Promissory Note	20-F	001-41634	4.66	May 1, 2025
10.69	Form of Subsidiary Guarantee	20-F	001-41634	4.67	May 1, 2025
10.70	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
10.71	Form of Convertible Note issued by HUB Cyber Security Ltd. on February 18, 2025	20-F	001-41634	4.69	May 1, 2025
10.72	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
10.73	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
10.74	Form of Convertible Note issued by HUB Cyber Security Ltd. on February 20, 2025	20-F	001-41634	4.72	May 1, 2025
10.75	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
10.76	Form of Promissory Note	20-F	001-41634	4.74	May 1, 2025

10.77	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	
10.78	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	
10.79	Commitment Note dated March 11, 2025	20-F	001-41634	4.77		
10.80	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	
10.81	Perpetual KYC Services Agreement dated June 17, 2025 by and between Hub Cyber Security Ltd. and Kyrrex					*
10.82	Commitment Note dated May 28, 2025					*
10.83	Loan Agreement dated February 21, 2025, by and between Hub Cyber Security Ltd. and PrivCap Funding, LLC.					*
10.84	Settlement Agreement dated August 6, 2025, by and among Hub Cyber Security Ltd. and PrivCap Funding LLC and Daniel Cohen.					*
10.85†^	Securities Purchase Agreement dated August 27, 2025, by and among Hub Cyber Security Ltd. and the purchasers thereto					*
10.86	Form of Subordinated Convertible Note					*
10.87	Registration Rights Agreement dated August 27, 2025 by and among Hub Cyber Security Ltd. and the undersigned purchasers thereto					*
10.88	Form of Warrant					*
10.89	Business Loan and Security Agreement dated April 29, 2025, by and among Agile Capital Funding, LLC as Collateral Agent, Agile Lending, LLC, Hub Cyber Security Ltd., and its subsidiaries guarantors					*
10.90	Form of Warrant Issuance Letter Agreement dated July 14, 2025					*
10.91	Form of Warrant dated July 14, 2025					*
10.92	Form of Subscription Agreement					*
10.93	Form of Pre-Funded Warrant					*
10.94	Convertible Promissory Note dated August 20, 2025					*
11.1†	Insider Trading Policy of HUB Cyber Security Ltd.	20-F	001-41634	11.1	May 1, 2025	
21.1	List of Subsidiaries.	20-F	001-41634	8.1	May 1, 2025	
23.1	Consent of Kost Forer Gabbay & Kasierer, a Member of EY Global, Independent Registered Public Accounting Firm					*
23.2	Consent of Goldfarb Gross Seligman & Co. (included in Exhibit 5.1)					***
24.1	Powers of Attorney (included on signature page)					**
24.2	Powers of Attorney (included on signature page)					**
97.1††	Policy for Recovery of Erroneously Awarded Compensation	6-K	001-41634	Appendix A to 99.1	October 5, 2023	
107	Filing Fee Table					*

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 prospectus (embedded within the Inline XBRL document)	

* Filed herewith.

** Furnished herewith.

*** To be filed as an amendment.

Unofficial English translation from Hebrew original.

† Schedules and exhibits to this Exhibit omitted pursuant to Instructions as to Exhibits to Form F-1. 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 Registration Statement 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

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Jerusalem, Israel on this 2nd day of September 2025.

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz

Name: Noah Hershcoviz

Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Noah Hershcoviz and Lior Davidsohn his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including pre- and post-effective amendments to this registration statement, any subsequent registration statement for the same offering which may be filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and pre- or post-effective amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

NAME	POSITION	DATE
<u>/s/ Noah Hershcoviz</u> Noah Hershcoviz	Chief Executive Officer (Principal Executive and Financial Officer)	September 2, 2025
<u>/s/ Lior Davidsohn</u> Lior Davidsohn	Interim Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 2, 2025
<u>/s/ Renah Persofsky</u> Renah Persofsky	Director, Chairperson of the Board	September 2, 2025
<u>/s/ Shlomo Bibas</u> Shlomo Bibas	Director	September 2, 2025
<u>/s/ Ilan Flato</u> Ilan Flato	Director	September 2, 2025
<u>/s/ Uzi Moskovich</u> Uzi Moskovich	Director	September 2, 2025

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of HUB Cyber Security Ltd. has signed this registration statement on September 2, 2025.

PUGLISI & ASSOCIATES

By: /s/ Donald J. Puglisi

Name: Donald J. Puglisi

Title: Managing Director

FIFTH AMENDMENT TO SECURITIES PURCHASE AGREEMENT

This Amendment (this “**Amendment**”) to that certain Securities Purchase Agreement, dated as of March 12, 2024 (as amended on April 3, 2024, June 26, 2024, November 5, 2024 and February 17, 2025, the “**Securities Purchase Agreement**”), by and between HUB Cyber Security Ltd., an Israeli company (the “**Company**”), and Tamas Gottdiener (the “**Buyer**”) is hereby made and entered into as of August 16, 2025. Capitalized terms used but not defined herein shall have the meanings given to them in the Securities Purchase Agreement.

WHEREAS, the Buyer has loaned the Company an aggregate of \$11,000,000 (the “**Loan**”) in exchange for convertible notes (the “**Notes**”) dated March 12, 2024, April 3, 2024, June 26, 2024 and November 5, 2024;

WHEREAS, the current maturity date of each of the Notes is August 16, 2025, and the Company has requested that the Buyer extend the maturity date of each of the Notes to six (6) months from the date hereof;

WHEREAS, the Company has introduced Seven Knots, LLC (“**Seven Knots**”) to the Buyer;

WHEREAS, Seven Knots (or any affiliate or assignee thereof) has undertaken to purchase the Notes from the Buyer in accordance with a note purchase and assignment agreement dated on or around the date hereof;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. **Maturity Date Extension**. The maturity date of each of the Notes is hereby changed to February 16, 2026, and any defaults occurring until the date hereof are hereby waived.

2. **Interest**. Commencing as of the date of this Amendment, interest shall also be applied to the accrued interest on the Loan (interest on the interest).

3. **Continued Validity of Transaction Documents**. Except as specifically amended hereby, the Transaction Documents shall remain in full force. This Amendment shall be a “Transaction Document”. For the avoidance of doubt, this Amendment shall not derogate from the Company’s obligations to repay the principal amount of the Notes plus interest accrued thereon, in accordance with their terms and conditions. The form of *heter iska* that appears in the Sefer Netivot Shalom written by Harav Shalom Yosef Gelber shall apply to the transactions contemplated by this Amendment, as well as to the Share Purchase Agreement and each amendment thereto.

4. **Counterparts**. This Amendment may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

[signature page follows]

IN WITNESS WHEREOF, the Buyer and the Company has caused its signature page to this Amendment to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz and Lior Davidsohn
Name: Noah Hershcoviz and Lior Davidsohn
Title: CEO and Interim CFO

BUYER:

/s/ Tamas Gottdiener
Tamas Gottdiener

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

NOTE PURCHASE AND ASSIGNMENT AGREEMENT

THIS NOTE PURCHASE AND ASSIGNMENT AGREEMENT (the “**Agreement**”) entered into as of this 20th day of August 2025 by and between Seven Knots, LLC, with registered offices at 415 N. Benton Avenue, Helena MT 59601, USA (the “**Purchaser**”) and Mr. Tamas Gottdiener, with Swiss passport # [**] and address at [**] (the “**Seller**”) (collectively, the “**Parties**”).

WHEREAS, the Seller is the holder of convertible notes and warrants to purchase Ordinary Shares of the Company (post the reverse split of March 28, 2025), each dated March 12, 2024, April 3, 2024, June 26, 2024 and November 5, 2024, respectively (the “**Original Notes**”) executed by Hub Cyber Security Ltd., a public company with Israel company number [**] (the “**Company**”) in exchange for a loan provided by the Seller to the Company in the aggregate principal amount of \$11,000,000 (the “**Loan**”); and

WHEREAS, Purchaser desires to purchase and the Seller desires to sell the Original Notes which shall encompass and include any interest, either at the standard rate or the default rate as accrued, upon the terms and conditions as set forth herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **Sale and Purchase.** The Seller agrees to sell and assign, and the Purchaser agrees to purchase and accept the Original Notes for the consideration contained in this Agreement and subject to the terms and conditions of this Agreement.
 2. **Purchase Price.** The price for all of the Original Notes shall be \$14,054,165, which reflects the principal amount of the Loan plus accrued interest up to August 31, 2025 (the “**Purchase Price**”). The Purchase Price will be adjusted accordingly to take into account any additional interest accrued following August 31, 2025.
 3. **Transaction.**
 - 3.1. **Undertaking.** Commencing as of the date of this Agreement, the Purchaser shall purchase any portion of the Original Notes, in whole or in part, from the Seller, provided that the Purchaser hereby undertakes to purchase from the Seller: (i) at least \$6,000,000 out of the total amount of the Original Notes within sixty (60) days from this Agreement, and (ii) the remaining amount of the Original Notes, totaling the full aggregate amount of the Purchase Price (plus additional interest accrued on such portion from August 31, 2025), within a period of ninety (90) days from the date of this Agreement. In any event, if the Purchaser does not purchase and pay to the Seller at least \$6,000,000 out of the total amount of the Original Notes within sixty (60) days from the date of this Agreement, or does not complete the purchase of all of the Original Notes within ninety (90) days from the date of this Agreement, the fifth amendment to the securities purchase agreement signed between the Seller and the Company on August 16, 2025 (the “**Fifth Amendment**”) will automatically terminate and be of no further force and effect. It is agreed that the aforementioned provision will supersede and take precedence over the terms and conditions of the Fifth Amendment.
 - 3.2. **Closing.** Unless otherwise agreed, the closing (the “**Closing**”) of the transaction to be effectuated in one or more tranches to be determined at the option of the Purchaser (subject to the time limit in Section 3.1 above) or such other date and/or time as the Parties may mutually determine (the “**Closing Date(s)**”).
-

- 3.3. Deliveries at Closing. Subject to the terms and conditions set forth in this Agreement, at the Closing (a) the Seller shall deliver or cause to be delivered the various documents and instruments listed in Section 7 and (b) the Purchaser shall cause to be delivered the various documents and instruments listed in Section 6.
- 3.4. Each tranche for the purchase of an Original Note or portion thereof shall lower the effective Loan amount due by the Company to the Seller in proportion to the cash amount of such relevant purchase paid by the Purchaser to the Seller for each such purchase.
- 3.5. Once the Purchaser has duly purchased all of the Original Notes in the total aggregate amount of the Purchase Price, the Company's repayment obligations to the Seller with regards to the Loan plus accrued interest shall be considered duly and fully completed and fulfilled and the Seller shall have no claims against the Company with regards to the Loan and/or its repayment.
- 3.6. If at any point the Company decides to repay the remaining balance of the Loan, the Seller hereby agrees to waive the Purchaser's obligation to purchase all of the Original Notes in accordance with Section 3.1 above.
4. Representations and Warranties of the Seller. As an inducement to the Purchaser to enter into this Agreement and consummate the transaction contemplated hereby, the Seller hereby makes the following representations and warranties, each of which is materially true and correct on the date hereof and will be materially true and correct on the Closing Date:
- 4.1. The Seller is the record and beneficial owner of the Original Notes and the Seller owns the Original Notes, free of any claim, lien, security interest or encumbrance of any nature or kind and, as such, has the exclusive right and full power to sell, transfer and assign the Original Notes free of any such claim, lien, security interest or encumbrance;
- 4.2. The Seller has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by the Seller;
- 4.3. The Seller has no liability or obligation to pay fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.
- 4.4. The Seller has not converted or redeemed any portion of the principal or interest of the Original Notes, other than \$1,500,000 out of the June 26, 2024 note, which was converted on August 18, 2025, pursuant to a conversion notice issued to the Company by the Seller instructing the Company to issue 500,000 ordinary shares out of the aforementioned note being converted in the name of the Purchaser. For the avoidance of doubt, this amount shall be included in the \$6,000,000 referred to in Section 3.1 above.

5. Representations and Warranties of the Purchaser. As an inducement to the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Purchaser hereby makes the following representations and warranties, each of which is materially true and correct on the date hereof and will be materially true and correct on the Closing Date:
- 5.1. The Purchaser has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Purchaser enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by the Purchaser;
- 5.2. The execution and delivery of this Agreement by the Purchaser and the observance and performance of the terms and provisions of this Agreement on the part of the Purchaser to be observed and performed will not constitute a violation of applicable law or any provision of any contract or other instrument to which the Purchaser is a party or by which it is bound or any order, writ, injunction, decree statute, rule or regulation applicable to it;
- 5.3. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, designating the Purchaser as the bankrupt or the insolvent are pending or, to the knowledge of the Purchaser threatened and the Purchaser has not made an assignment for the benefit of creditors, nor has Purchaser taken any action with a view to, or which would constitute the basis for the institution of any such insolvency proceedings;
- 5.4. There are no actions, suits or proceedings pending or, to the best of the Purchaser's knowledge, threatened, which could in any manner restrain or prevent the Purchaser from effectually and legally purchasing the Original Notes pursuant to the terms and provisions of this Agreement; and
- 5.5. The Purchaser has no liability or obligation to pay fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.
- 5.6. The Purchaser is purchasing the Original Notes solely for its own account for investment and not with a view to or for sale in connection with any distribution *or* any portion thereof and not with any present intention of selling, offering to sell or otherwise disposing of or distributions or any portion thereof in any transaction *other* than a transaction exempt from registration under the Securities Act of 1933, as amended (the "Act "). Purchaser also represents that the entire legal and beneficial interest of the Original Notes is being purchased and will be held, for the Purchaser's account only, and neither in whole or in part for any other person. The Purchaser's business or financial experience or the business or financial experience of the Purchaser's professional advisors who are unaffiliated with and who are not compensated by the Company or an) affiliate or selling agent of the Company, directly or indirectly, could be reasonably assumed to have the capacity to evaluate the merits and risks of an investment in the Company and to protect the Purchaser's own interests in connection with this transaction.
- 5.7. The Purchaser realizes that the purchase of the Original Notes will be a highly speculative investment and involves a high degree of risk and the Purchaser is able, without impairing financial condition, to hold the investment for an indefinite period of time and to suffer a complete loss on the Purchaser's investment.
- 5.8. The Purchaser is an "accredited investor" as that term is defined in Regulation D under the Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Shares, and the Purchaser is able to bear the economic risk of his investment.

6. Conditions of the Seller's Performance. The Seller shall not be obligated to proceed with the Closing unless each one of the following conditions has been met:
- 6.1. The representations, covenants and warranties of the Purchaser contained in this Agreement shall be materially true and correct on and as of the time of Closing hereunder as though each covenant, representation or warranty was made at and as of such time;
 - 6.2. The Purchaser shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date hereof;
 - 6.3. No action, suit, or proceeding shall be pending or threatened before any federal, state or foreign court, commission, governmental body, regulatory or administrative agency, authority or tribunal wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (a) prevent consummation of any of the transactions contemplated by this Agreement, or (b) cause any of the transactions contemplated by this Agreement to be rescinded following consummation; and
 - 6.4. The Purchaser shall pay to the Seller the Purchase Price, or relevant portion thereof pursuant to each specific tranche, in accordance with the terms hereof by wire transfer, pursuant to the wire transfer instructions attached hereto as Exhibit A, at the closing.

The Seller may waive any condition specified in this Section 6 if it executes a writing so stating at or prior to the Closing.

7. Conditions of the Purchaser's Performance. The Purchaser shall not be obligated to proceed with the Closing unless each one of the following conditions has been met:
- 7.1. The representations, covenants and warranties of the Seller contained in Section 4 and elsewhere in this Agreement shall be true and correct in all material respects as of the time of Closing hereunder, as though each covenant, representation or warranty was made at and as of such time;
 - 7.2. The Seller shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date hereof;
 - 7.3. No action, suit, or proceeding shall be pending or threatened before any federal, state or foreign court, commission, governmental body, regulatory or administrative agency authority or tribunal wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (a) prevent consummation of any of the transactions contemplated by this Agreement, or (b) cause any of the transactions contemplated by this Agreement to be rescinded following consummation.
 - 7.4. The Seller shall deliver to the Purchaser a copy of the Original Notes evidencing the indebtedness under the Original Notes and shall take such reasonable actions as are necessary as to effectuate such a sale with the Company's transfer agent including the transfer of the reserve of shares and with Company management including any and all documents required to record the purchase on the books and records of the Company; and
 - 7.5. All proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser.

The Purchaser may waive any condition specified in this Section 7 if it executes a writing so stating at or prior to the Closing.

8. Survival of Representations and Warranties and Agreements. All representations and warranties of the parties contained in this Agreement shall survive the Closing and shall not be affected by any investigation made prior to the Closing.
9. Termination of Agreement.
- 9.1. Termination. Any or all of the Parties may terminate this Agreement as provided below:
- 9.1.1. The Parties may terminate this Agreement by mutual written consent at any time prior to the Closing, provided that the total amount of the Purchase Price has been duly paid to the Seller and all of the Original Notes have been duly purchased;
- 9.1.2. A Party may terminate this Agreement by giving written notice to the other Party at any time prior to the Closing in the event the other Party has breached any material representation, warranty or covenant contained in this Agreement in any material respect, the other Party has been notified of the breach, and the breach has continued without cure for a period of 10 days after the notice of breach.
- 9.1.3. Either Party may terminate this Agreement if there shall be a final non-appealable order of a federal or state court restraining or prohibiting the consummation of the transactions contemplated by this Agreement, or there shall be any action taken, or any statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the transactions contemplated by this Agreement by any governmental entity, that would make the consummation of the transactions contemplated by this Agreement illegal.
- 9.2. Effect of Termination. If any Party terminates this Agreement pursuant to Section 9.1 above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party.
10. Indemnification.
- 10.1. Indemnification Provisions for Benefit of the Purchaser. In the event the Seller breaches any of its representations, warranties, and/or covenants contained herein or in the event any type of liability is or was created with regard to the Original Notes arising prior to Closing and provided that the Purchaser makes a written claim for indemnification against the Seller, then the Seller agrees to indemnify the Purchaser from and against the entirety of any losses, damages, amounts paid in settlement of any claim or action, expenses, or fees including court costs and reasonable attorneys' fees and expenses.
- 10.2. Indemnification Provisions for Benefit of the Seller. In the event the Purchaser breaches any of its representations, warranties, and/or covenants contained herein or in the event any type of liability is or was created with regard to the Original Notes arising prior to Closing and provided that the Seller makes a written claim for indemnification against the Purchaser, then the Purchaser agrees to indemnify the Seller from and against the entirety of any losses, damages, amounts paid in settlement of any claim or action, expenses, or fees including court costs and reasonable attorneys' fees and expenses.
11. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing:
- 11.1. General. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as the other Party may request all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefore under Section 10).
- 11.2. Seller. The Seller hereby covenants that, after the Closing, the Seller will, at the request of Purchaser, execute, acknowledge, and deliver to the Purchaser without further consideration, all such further assignments, conveyances, consents and other documents, and take such other action, as the Purchaser may reasonably request (a) to transfer to, vest and protect in the Purchaser and its right, title and interest in the Original Notes and (b) otherwise to consummate or effectuate the transactions contemplated by this Agreement.

12. Expenses. Except as otherwise provided in this Agreement, all parties hereto shall pay their own expenses, including legal and accounting fees, in connection with the transactions contemplated herein.
13. Severability. In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.
14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.
15. Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns. Nothing in this Agreement expressed or implied is intended to confer on any person other than the Parties or their respective heirs, successors and assigns) rights remedies, obligations, or other liabilities under or by reason of this Agreement.
16. Reserved.
17. Attorney's Fees. In the event that there is any controversy or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof and any action or arbitration proceeding is commenced to enforce the provisions of this Agreement the prevailing party shall be entitled to reasonable attorney's fees including the fees on appeal, costs and expenses.
18. Governing Law; Venue. This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein, or performance shall be governed or interpreted according to the laws of the State of New York. Any proceeding or action must be commenced in New York County, New York. The parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts.
19. Oral Evidence. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally except by a statement in writing signed by the party or parties against whom enforcement or the change, waiver discharge or termination is sought.
20. Assignment. The Purchaser shall be entitled to assign its rights or obligations under this Agreement to a third party without the prior written consent of the other Party, provided that the assignee undertakes to be bound by the terms and conditions of this Agreement as if it were the Purchaser.
21. Section Headings. Section headings herein have been inserted for reference only and shall not be deemed to limit or otherwise effect, in any matter, or be deemed to interpret in whole or in part any of the terms or provisions of this Agreement.

[Signature Pages Attached]

IN WITNESS WHEREOF, the Parties have executed this agreement on the date first stated above.

SELLER:

Tamas Gottdiener

/s/ Tamas Gottdiener

PURCHASER:

SEVEN KNOTS, LLC

/s/ Marissa Welner

By: Marissa Welner

Title: Managing Member

We hereby agree and consent to the foregoing Agreement:

HUB CYBER SECURITY LTD.

By: /s/ Noah Herscoviz and Lior Davidsohn
Name: Noah Herscoviz and Lior Davidsohn
Title: CEO and Interim CFO

Exhibit A

Wire Transfer Instructions

[**]

PERPETUAL KYC SERVICES AGREEMENT

This Perpetual KYC Services Agreement (this “**Agreement**”) is entered into as of this 17th day of June, 2025, by and between:

Hub Cyber Security Ltd., a corporation duly organized and existing under the laws of Israel, with its principal place of business at 2 Kaplan Street, Tel Aviv 6473403, Israel (hereinafter: “**Hub**”), on the first hand;

AND

Kyrrex, a corporation duly organized and existing under the laws of Malta, with its principal place of business at _____ (hereinafter: “**Kyrrex**”), on the second hand;

AND

[**A Crypto Merchant**], a corporation duly organized and existing under the laws of _____, with its principal place of business at _____ (hereinafter: the “**Crypto Merchant**”), on the third hand.

(Hub, Kyrrex, and the Crypto Merchant are hereinafter collectively referred to as the “Parties,” and each individually as a “Party”).

WHEREAS, Hub is a provider of end-to-end banking platforms with integrated and modular secured compliance tools and compliance management; and

WHEREAS, Kyrrex is a regulated crypto fiat ecosystem that provides a one-stop shop for bridging finance, payment, and trading operations with cryptocurrency on a single platform; and

WHEREAS, the Crypto Merchant operates a professional and secured cryptocurrency payment gateway; and

WHEREAS, Kyrrex and the Crypto Merchant (jointly, the “**Customer**”) desire to jointly and severally engage with Hub to provide Perpetual KYC (as defined below) services and potentially other related financial, banking, compliance and crypto services as may be requested by the Customer;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. DEFINITIONS

- “Perpetual KYC” or “PKYC”: shall mean the continuous management, monitoring and verification of customer information to ensure ongoing compliance with applicable Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations.
- “Entity”: shall mean a single customer, client, or counterparty of the Customer or otherwise, subject to PKYC or Automated Risk Scoring (as defined below) services.
- “Horizon Scanning”: shall mean the proactive identification and analysis of emerging risks, trends, and regulatory changes relevant to each Entities’ respective business or individual operations.
- “Automated Risk Scoring”: shall mean the automated assessment and assignment of various risk scores to Entities based on predefined criteria and advanced data analysis.
- “Additional Fetchers to Data Sources”: shall mean the integration and retrieval of data from supplementary external data sources beyond the standard PKYC services offering.

2. COMPANY DESCRIPTION - HUB CYBER SECURITY LTD.

Hub provides end-to-end banking platforms that combine core banking with integrated and modular secured compliance tools and compliance management. Hub’s secured data fabric delivers real-time, secured access to unified data, while AI-powered automation tools streamline KYC/AML, transaction monitoring, and regulatory reporting. Designed for fast deployment and scalability, Hub’s platform reduces costs, accelerates time-to-market, and adapts to evolving regulations. Hub empowers financial institutions to modernize operations, enhance customer experiences, meet all applicable regulatory requirements and maintain compliance efficiently and securely.

3. SERVICES AND PRICING

Hub shall provide the following services to the Customer in accordance with the terms set forth herein:

3.1. Core Service: Perpetual KYC (PKYC)

- Description:** Hub will deliver Perpetual KYC services, consisting of continuous management, monitoring and verification for Entities designated by the Customer.
- Pricing:** Twenty United States Dollars (\$20) per Entity per year of PKYC, payable on a monthly basis, with payment made each month for the PKYC services to the Entities during the previous month.
- Effective Date:** The PKYC service will commence on July 1st, 2025, with the first payment becoming due in August 2025.

3.2. Optional Services

The Customer may expand its request for services from Hub to include the following, subject to mutual agreement and activation terms:

Horizon Scanning

- o **Description:** Proactive identification and analysis of emerging risks, trends, and regulatory changes relevant to each Entities’ respective business or individual operations.
- o **Pricing:** Five Thousand United States Dollars (\$5,000) per month of Horizon Scanning services per geographical area (to be defined by Hub), payable on a monthly basis, with payment made each month for the Horizon Scanning services to the Entities during the previous month.

Automated Risk Scoring

- o **Description:** Automated assessment and assignment of various risk scores to Entities based on predefined criteria and advanced data analysis.
- o **Pricing:** Twenty United States Dollars (\$20) per Entity per year of ARS services payable on a monthly basis, with payment made each month for the ARS services to the Entities during the previous month.

Additional Fetchers to Data Sources

- o **Description:** Integration and retrieval of data from supplementary external data sources beyond the standard PKYC services offering, as may be requested by the Customer.
- o **Pricing:** Five Hundred United States Dollars (\$500) per month of Additional Fetchers services, payable on a monthly basis, with payment made each month for the Additional Fetchers services during the previous month.

Support for the Merger

- o **Description:** Support for the merger between Kyrrex and the Crypto Merchant, as detailed in the Annex A to this agreement.
- o **Pricing:** to be agreed between the Customer and Hub upon the request of such services by the Customer.

4. PAYMENT TERMS

4.1. Invoices for the Perpetual KYC services will be issued to the Customer monthly, according to the number of Entities serviced in the previous month.

4.2. Invoices for optional services (i.e. Horizon Scanning, Automated Risk Scoring, Additional Fetchers to Data Sources and Support for the Merger) will be issued monthly in arrears for the respective services provided by Hub during the previous month.

4.3. Payment terms are Net 30 days from the date of invoice.

4.4. All fees due to Hub hereunder are exclusive of any taxes, duties, or levies imposed by any governmental authority, tax authority or regulator, which shall be the responsibility of the Customer.

4.5. Delay in Payment: Any amount not paid by the due date shall be subject to a late payment charge at the rate of 5% per month or the maximum rate permitted by law, whichever is lower, calculated from the due date until the date of full payment. Hub reserves the right to suspend services if payments are delayed beyond 30 days from the due date, until all outstanding amounts are settled.

5. TERM AND TERMINATION

5.1. This Agreement shall commence upon signing and shall continue for an initial term of two (2) years (the “**Initial Term**”), unless terminated earlier in accordance with the terms herein.

5.2. Upon expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year periods (each, a “**Renewal Term**”), unless either Party provides written notice of non-renewal to the other Parties at least ninety (90) days prior to the end of the then-current term.

5.3. Either Party may terminate this Agreement immediately upon written notice if another Party materially breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after receiving written notice thereof. Failure to pay for any of the services hereunder shall be considered a material breach of this Agreement and shall be cured within thirty (30) days. Upon termination of this Agreement for any reason, Hub shall no longer be obligated to provide the services to the Customer.

6. CONFIDENTIALITY

All Parties agree to keep confidential all non-public information obtained from the other Parties during the course of this Agreement. This obligation shall survive the termination of this Agreement.

7. INTELLECTUAL PROPERTY RIGHTS & SUBCONTRACTORS

7.1 Hub will always and at all times retain all rights, title and interests in any Intellectual Property Rights owned by Hub, whether or not used in the implementation of the services, both pre-existing prior to this Agreement and/or developed separate to this Agreement, as well as any Intellectual Property Rights used in providing the services pursuant to this Agreement, including the ideas, methods, analytical techniques and models, software proprietary applications, source codes, methodologies, algorithms and other know-how owned or developed by Hub before, during or after the provision of the services. For the avoidance of doubt, the Customer will not have any claim to any of Hub's Intellectual Property Rights, including but not limited to those related to or implemented in the services.

7.2 Hub may engage subcontractors for the provision of all or parts of the services detailed hereunder. The Subcontractors shall be deemed approved by the Customer and shall be under the management, supervision and responsibility of Hub.

7. LIMITATION OF LIABILITY

Hub's maximum aggregate liability to the Customer for losses or damages suffered in respect of any and all claims that arise from a single event or a series of connected events arising from the same circumstances will be limited to 50% of the total Fees invoiced and actually paid by the Customer to Hub under the relevant services giving rise to the claim.

With the exception of any failure by the Customer to pay the Fees in accordance with the terms of this Agreement, neither Party will, in an action based on breach of contract, be liable to the other for (i) loss of profit; or (ii) consequential, indirect or special damages, arising from a breach of this Agreement (even if advised of the possibility of such losses arising).

8. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement is governed by and construed in accordance with the laws of England, without regard to its choice of law provisions, and the Parties submit to the exclusive jurisdiction of the courts of London, England with regards to any disputes hereunder which cannot be amicably resolved between the Parties.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, proposals, or representations, written or oral, with regards to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

HUB CYBER SECURITY LTD.

/s/ Noah Hershcoviz and Lior Davidsohn
By: Noah Hershcoviz and Lior Davidsohn
Titles: CEO and CFO

KYRREX

/s/ Viktor Kochetov
By: Viktor kochetov
Title: Director

[The Crypto Merchant]

By:
Title:

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

THIS CONVERTIBLE PROMISSORY NOTE (AS MAY BE AMENDED FROM TIME TO TIME, THE “**NOTE**”) AND THE SECURITIES INTO WHICH IT MAY BE CONVERTED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF REGISTRATION OF THE RESALE THEREOF OR EXEMPTION UNDER THE SECURITIES ACT.

CONVERTIBLE PROMISSORY NOTE

Aggregate Principal Amount: \$1,500,000

Dated as of May 28, 2025

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, 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 Keystone Capital Partners, LLC, a Delaware limited liability company (the “**Holder**”), the principal sum of ONE MILLION, FIVE HUNDRED DOLLARS (\$1,500,000) or such lesser amount as shall remain unpaid under this Convertible Promissory Note (this “**Note**”) on the Maturity Date (as defined herein). Subject to Section 10, all payments on this Note shall be made by way of conversion into Ordinary Shares. It is hereby agreed that this Note is being issued to the Holder in settlement and release of any claim by the Holder with respect to the Company’s performance of its obligations under the Registration Rights Agreement between the Company and the Holder, dated March 11, 2025.

1. **Principal.** Subject to Sections 9 and 10, the entire unpaid principal balance of this Note shall be due and payable on November [], 2026 (the “**Maturity Date**”) by way of conversion into a number of Conversion Shares, subject to the Beneficial Ownership Limitation, equal to such unpaid principal balance *divided* by the Closing Sale Price (as defined in the Ordinary Share Purchase Agreement between the Company and the Holder as of the date hereof) on the date immediately prior to the Maturity Date, or if this Note is converted prior to the Maturity Date, in accordance with Section 2, the Closing Sale Price on the date immediately prior to the date on which a party notifies the other party that it has elected to convert such unpaid principal balance (the “**Conversion Date**”), provided that in each case the applicable conversion price shall not be lower than twenty percent (20%) of the Closing Sale Price on the issuance date of this Note. Under no circumstances shall any individual, including but not limited to any officer, director, employee or equityholder of the Company, be obligated personally for any obligations or liabilities of the Company hereunder. For the avoidance of doubt, the principal balance of this Note shall only be payable by way of conversion into Ordinary Shares and not in cash.

2. **Prepayment.** At any time and from time to time following the earlier of (i) the date on which the Conversion Shares are registered under a registration statement filed with the Securities and Exchange Commission or (ii) six (6) months following the date of this Note, the principal balance of this Note, may be converted, in whole or in part, by either party without the prior written consent of the other party, subject to the Beneficial Ownership Limitation and provided that the Closing Sale Price on the Conversion Date is not lower than 10% as compared to the Closing Sale Price on the date immediately prior thereto.

3. Reserved.

4. Reserved.

5. **Security.** This Note is a general unsecured obligation of the Company.

6. **Representations and Warranties of the Company.** The Company hereby represents and warrants to the Holder as of the date hereof as follows:

a. Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

b. Due Authorization. All corporate action on the part of the Company's directors and shareholders necessary for the authorization, execution, delivery of, and the performance of all obligations of the Company under this Note has been taken and this Note constitutes the valid and legally binding obligations of the Company, enforceable against the Company in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditor's rights generally and (ii) general principles of equity.

c. Corporate Power. The Company has the requisite corporate power and authority to execute and deliver this Note to the Holder and to issue, and carry out and perform all of its obligations under, this Note.

d. Valid Issuance.

i. The Conversion Shares, when issued in accordance with the terms of this Note, will be duly and validly issued, fully paid and nonassessable and will be free of any liens, encumbrances, or restrictions on transfer other than restrictions on under applicable state and federal securities laws or as contemplated thereby.

ii. Assuming the accuracy of the representations made by the Holder in Section 7, the offer and sale of the Note and the Conversion Shares to the Holder in accordance with this Note are exempt from the registration and prospectus delivery requirements of the Securities Act, and the securities registration and qualification requirements of the currently effective provisions of the securities laws of the states in which the Holder is resident based upon its addresses set forth on the signature page, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

7. Representations, Warranties and Certain Agreements of the Holder. The Holder hereby represents and warrants to the Company as of the date hereof as follows:

a. Organization, Good Standing and Qualification. The Holder is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

b. Authorization. This Note constitutes the Holder's valid and legally binding obligation, enforceable in accordance with its terms except as may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditor's rights generally and (ii) general principles of equity. The Holder represents that it has full power and authority to enter into this Note.

c. Purchase for Own Account. This Note and the Conversion Shares, if and when acquired, are being acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the public resale or distribution thereof within the meaning of the Securities Act, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same.

d. Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to this Note and the Conversion Shares. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Note and the Conversion Shares and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Holder or to which the Holder had access. The foregoing, however, does not in any way limit or modify the representations and warranties made by the Company in Section 6.

e. Investment Experience. The Holder understands that the purchase of this Note and the Conversion Shares involves substantial risk. The Holder also understands that there can be no assurances that the Company will be able to repay this Note. The Holder has experience as an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment in this Note and the Conversion Shares and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this investment in this Note and the Conversion Shares and protecting its own interests in connection with this investment.

f. Accredited Investor Status. The Holder is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

g. Restricted Securities. The Holder understands that this Note and the Conversion Shares are characterized as “restricted securities” under the Securities Act and Rule 144 promulgated thereunder inasmuch as they are being acquired from the Company in a transaction not involving a public offering, and that under the Securities Act and applicable regulations thereunder such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, the Holder represents that it is familiar with Rule 144 of the SEC, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. The Holder understands that the Company is under no obligation to register this Note or the Conversion Shares.

h. No Solicitation. At no time was the Holder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of this Note or the Conversion Shares.

i. Legends. It is understood that the certificates or book entries evidencing the Conversion Shares will bear (1) any legend required by the laws of the State of Delaware, including any legend required by the General Corporation Law of the State of Delaware, or any other state securities law and (2) the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

j. No “Bad Actor” Disqualification. No “bad actor” disqualifying event is applicable to the Holder. The Holder has exercised reasonable care to determine whether any disqualification event is applicable to the Holder.

8. **Events of Default**. Each of the following shall constitute an event of default (“*Event of Default*”):

a. Failure to Pay. The Company’s failure to pay all or a portion of the unpaid principal balance of this Note to the Holder when due, whether at maturity, as a result of acceleration or otherwise.

b. Voluntary Bankruptcy. The commencement by the Company or any of its Significant Subsidiaries (as defined below) of a voluntary case under any applicable bankruptcy, insolvency, reorganization, rehabilitation or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or any of its Significant Subsidiaries or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Company or any of its Significant Subsidiaries generally to pay its debts as such debts become due, or the taking of corporate action by the Company or any of its Significant Subsidiaries in furtherance of any of the foregoing. As used herein, “*Significant Subsidiary*” shall have the meaning set forth in Article I, Rule 1-02(w) of Regulation S-X promulgated by the SEC (or any successor rule); provided, that in each instance in such definition in which the term “10 percent” is used, the term “5 percent” shall be substituted therefor.

c. Involuntary Bankruptcy. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company or any of its Significant Subsidiaries in an involuntary case under any applicable bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or any of its Significant Subsidiaries or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

d. Change of Control. (i) The majority of the board of directors of the Company has changed within a 12-month period unless a majority of the directors then in office endorsed the appointment or election of the new directors or (ii) the Company consummates a sale, lease or transfer of all or substantially all of the assets, lines of business or divisions of the Company and its subsidiaries in a single transaction or series of related transactions, taken as a whole, to any person or persons, other than solely to one or more of the Company's wholly owned subsidiaries; provided, that, in no event shall the consummation of any transaction with the Holder or any of its affiliates constitute an Event of Default pursuant to this Section 8.d.

e. Delisting of the Company's Ordinary Shares. At any time after the date hereof, the ordinary shares, no par value, of the Company ("**Ordinary Shares**") are no longer listed, or is suspended from trading for a period of five (5) or more consecutive trading days, on any national securities exchange.

f. Representations and Warranties. Any representation or warranty made by the Company in this Note shall be untrue or incorrect in any material respect as of the date when made or deemed made.

g. Breach. The Company's failure to observe or perform in all material respects any covenant or agreement contained in this Note.

9. Remedies.

a. Upon the occurrence of an Event of Default, the Holder may, by written notice to the Company, declare this Note to be due immediately and payable, whereupon the unpaid principal balance of this Note, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

b. Reserved.

c. The Company will furnish to the Holder prompt written notice of the occurrence of any Event of Default.

10. Reserved.

a. Reserved.

b. Reserved.

c. If at any time during the period between the date of this Note and any conversion of all or any portion of the unpaid principal balance of this Note, in accordance with this Note, any change in the outstanding shares of Ordinary Shares shall occur by reason of any stock split, reverse stock split, stock dividend, cash dividend, reorganization, recapitalization, reclassification, combination, exchanges of shares, rights, options, warrants, distributions, spin-off, tender offer, exchange offer or other change or transaction with respect to the Ordinary Shares (each, an "**Adjustment Event**"), any number or amount contained in this Note that is based on the price of an Ordinary Shares or a number of Ordinary Shares shall be equitably adjusted to the extent necessary to provide the Holder the same economic effect with respect to the Ordinary Shares as contemplated by this Note with respect to such conversion as of immediately prior to such Adjustment Event.

d. Upon any conversion of the principal balance of this Note, (i) the Holder shall surrender and deliver this Note, duly endorsed, to the Company against delivery of the Conversion Shares, (ii) in exchange for, and within one (1) business day following the receipt of, the surrendered Note, the Company shall, at the direction of the Holder, deliver (or cause to be delivered) to the Holder the Conversion Shares, which shall bear such legends as are required in the opinion of counsel to the Company, by applicable state and federal securities laws or by any other agreement between the Company and the Holder and the Company will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue or delivery of any Conversion Share upon such conversion. Upon such delivery of the Conversion Shares to the Holder, the converted portion of this Note shall automatically become fully paid and satisfied. To the extent Israeli withholding tax shall apply on any payment or issuance of shares upon the repayment or conversion of this Note, Company shall be entitled to withhold such tax in accordance with the applicable law unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

e. For purposes of this Note, “**Conversion Shares**” means any Ordinary Shares issued upon conversion of all or a portion of the principal balance of this Note.

f. **Authorized Shares.** So long as this Note is outstanding, the Company shall take all action necessary, including amending the Company’s governing documents to authorize and reserve the requisite number of Ordinary Shares, solely for the purpose of effecting the conversion of this Note, such that the number of shares of Conversion Shares shall be duly and validly authorized, reserved and available for issuance at the time of the conversion of this Note, and upon issuance in accordance with the terms of this Note, the Conversion Shares will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under applicable federal and state securities laws or liens or encumbrances created by or imposed by the Holder.

g. **Beneficial Ownership Limitation.** Notwithstanding anything to the contrary contained in this Note, the Company shall not issue or sell, and the Holder shall not purchase or acquire, any Ordinary Shares under this Note which, when aggregated with all other Ordinary Shares then beneficially owned by the Holder and its Affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by the Holder of more than 4.99% of the outstanding Ordinary Shares (the “**Beneficial Ownership Limitation**”). Upon the written or oral request of the Holder, the Company shall promptly (but not later than the next Business Day on which its transfer Agent is open for business) confirm orally or in writing to the Holder the number of Ordinary Shares outstanding as of the most recent date for which the transfer agent has such information. The Holder and the Company shall each cooperate in good faith in the determinations required under this Section 10.g and the application of this Section 10.g. The Holder’s written certification to the Company of the applicability of the Beneficial Ownership Limitation, and the resulting effect thereof hereunder at any time, shall be conclusive with respect to the applicability thereof and such result absent manifest error. The provisions of this Section 10.g shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 10.g to the extent necessary to properly give effect to the limitations contained in this Section 10.g.

11. **Notices.** Any notice or communication by the Company or the Holder to the other will be deemed to have been duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), electronic transmission or other similar means of unsecured electronic communication or overnight air courier guaranteeing next day delivery, or to the other’s address included on the signature page hereto. The Company or the Holder, by notice to the other, may designate additional or different addresses (including facsimile numbers and electronic addresses) for subsequent notices or communications. All notices and communications will be deemed to have been duly given: (a) at the time delivered by hand, if personally delivered; (b) five (5) business days after being deposited in the mail, postage prepaid, if mailed; (c) when transmitted, if transmitted by facsimile, electronic transmission or other similar means of unsecured electronic communication; and (d) the next business day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

12. **Governing Law.** THIS NOTE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS PROMISSORY NOTE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE COMPANY, AND THE HOLDER BY ITS ACCEPTANCE THEREOF IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED BY THIS NOTE.

13. **Severability.** Any provision contained in this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **Amendment; Waiver.** Any amendment hereto or waiver of any provision hereof may be made with, and only with, the written consent of the Company and the Holder. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights available in law or in equity. Each party hereto acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the other party hereto and that the remedy at law for any such breach would be inadequate. Each party hereto therefore agrees that, in the event of any such breach or threatened breach, the other party hereto shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

15. **Assignment.** No assignment or transfer of this Note or any rights or obligations hereunder may be made by any party hereto (by operation of law or otherwise) without the prior written consent of the other party hereto (such consent not to be unreasonably withheld, conditioned or delayed) and any attempted assignment without the required consent shall be void.

16. **Transfer Procedures.** If this Note is to be transferred as permitted under this Note, in whole or in part, the Holder shall surrender this Note to the Company, whereupon the Company will issue and deliver a new Note to the transferee and, if less than the entire unpaid principal balance of this Note held by the Holder is being transferred, a new Note to the Holder, representing the portion of the unpaid principal balance not being transferred.

17. **Lost, Stolen, Destroyed 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 and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a replacement Note.

18. **Issuance of Replacement Notes.** Whenever the Company is required to issue a new or replacement Note(a “**Replacement Note**”) pursuant to the terms of this Note, such Replacement Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such Replacement Note, the outstanding principal balance of this Note (or, in the case of a Replacement Note being issued pursuant to Section 17, the outstanding principal balance of this Note designated by the Holder which, when added to the aggregate outstanding principal balance represented by the other Replacement Notes issued in connection with such issuance, does not exceed the outstanding principal balance under this Note immediately prior to such issuance of Replacement Notes), (iii) shall have an issuance date, as indicated on the face of such Replacement Note, which is the same as the issuance date of this Note, (iv) reserved, (v) shall have the same rights and conditions as this Note and (vi) shall be timely prepared and issued by the Company, but in any event the Company shall issue such Replacement Note not later than five (5) business days after surrender of this Note or the receipt of the evidence reasonably satisfactory to the Company in accordance with Section 17, as the case may be.

19. **Counterparts.** This Note may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. The exchange of copies of this Note and signature pages by email in .pdf or .tif format (and including any electronic signature complying with the U.S. ESIGN Act of 2000, e.g., www.docusign.com), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Note as to the parties hereto and may be used in lieu of the original Note for all purposes. Such execution and delivery shall be considered valid, binding and effective for all purposes.

[Signature page follows]

IN WITNESS WHEREOF, the parties to this Note have caused this Note to be duly executed as of the date first written above.

HUB CYBER SECURITY LTD.

By: /s/ Noah Hershcoviz and Lior Davidsohn

Name: Noah Hershcoviz and Lior Davidsohn

Title: CEO and CFO

Address: [**]

Email: [**]

Accepted and agreed as of the date first written above.

KEYSTONE CAPITAL PARTNERS, LLC

By: /s/ Fredric Zaino

Name: Fredric Zaino

Title: Chief Investment Officer

Address:

Email:

[Signature Page to Convertible Promissory Note]

LOAN AGREEMENT

(this “Agreement”)

Entered into as of the 21st day of February 2025 by and between:

Hub Cyber Security Ltd. (“Borrower”)

and

PrivCap Companies (“Lender”)

Borrower and Lender shall hereinafter be referred to each individually as a “Party” and jointly as the “Parties”.

WHEREAS:

- A. The Lender agrees to provide a loan to the Borrower for the sole purpose of engaging Sideways Frequency LLC (“SF”) for the same dollar amount; and
- B. The Parties wish to set the terms and conditions that shall apply with respect to the aforementioned loan according to the terms herein.

NOW, THEREFORE, the Parties, in consideration of mutual promises, obligations and commitments hereinafter set forth, agree as follows:

1. Representations and Warranties

1.1. Lender hereby warrants and represents as follows:

- 1.1.1. It has the full power and authority to execute this Agreement and the signatory here below is authorized to execute this Agreement on its behalf.
- 1.1.2. The receipt of the Loan and the terms and conditions as herein shall not result in any breach or violation of any agreement to which it is bound or of any applicable law.
- 1.1.3. It has carefully studied and hereby accepts the terms and conditions of the Loan granted to it herein.

1.2. Borrower hereby warrants and represents as follows:

- 1.2.1. It has the full power and authority to execute this Agreement and it is the signatory here below authorized to execute this Agreement.
 - 1.2.2. The grant of the Loan and the terms and conditions as herein shall not result in any breach or violation of any agreement to which it is bound or of any applicable law.
 - 1.2.3. It has carefully studied and hereby accepts the terms and conditions of the Loan granted by it herein.
-

2. Loan

- 2.1. The Lender shall grant Borrower the Loan in the amount of \$175,000 (the “**Principal Amount**”). The Principal Amount together with any accrued interest shall be referred to herein as: the “**Loan**”.
- 2.2. The Loan has been disbursed by the Borrower for the purpose of engaging SF to provide marketing services to the Company.
- 2.3. The Borrower shall repay Lender the Loan in the amount of \$235,000 (comprising Principal Amount, interest, and additional fees) on or before March 1st, 2025.
- 2.4. If full repayment of the Loan is not received by March 17th, 2025, the Borrower shall transfer 470,000 ordinary unrestricted shares of its stock (equivalent to \$235,000 at \$0.50 per share) to Lender on March 18th, 2025 (the “**Shares**”).
- 2.5. Failure to transfer the Shares by the aforementioned date shall result in a \$2,000 per diem penalty until full satisfaction of the Loan obligation hereunder.

3. Warrant Issuance

- 3.1. Reference is made to Warrants dated December 22, 2023, and January 12, 2024 (the “**Warrants**”), issued by the Borrower to Daniel Cohen (the “**Holder**”) pursuant to the Securities Purchase Agreements, dated December 20, 2023, and January 9, 2024 (the “**Purchase Agreements**”), between the Borrower and the Holder.
- 3.2. Effective as of February 15th, 2025, the number of Warrant Shares (as defined in the Purchase Agreements) shall increase such that the aggregate Exercise Price (as defined in the Purchase Agreements) payable under the terms of the Purchase Agreements, as of the Closing Date (as defined in the Purchase Agreements), shall increase to \$1,200,000, and the Warrants shall be exercisable at an exercise price of \$0.50 per share.
- 3.3. Effective as of February 15th, 2025, the Borrower shall issue Jamie Goldstein 200,000 warrants under the same terms as the Warrants, exercisable at an exercise price of \$0.50 per share.

4. General Provisions

- 4.1. No Party may, without the prior written consent of the other Party, assign or transfer its rights and obligations under this Agreement.
- 4.2. No delay or omission to exercise any right, power, or remedy accruing to any Party hereto upon the breach or default by the other Party under this Agreement shall impair any such right, or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

4.3. Any change or addition to this Agreement shall be in writing and signed by the Parties.

4.4. This Agreement shall be governed, exclusively, by the laws of Israel without regards to conflicts of law provisions, and the laws of any other jurisdiction shall not apply. The Parties hereby agree to the exclusive jurisdiction of the courts of Tel Aviv-Jaffa.

4.5. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be enforceable in accordance with its terms and interpreted so as to give effect, to the fullest extent.

4.6. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (i) when delivered, if sent by personal delivery to the Party to be notified, (ii) when sent, if sent by electronic mail or facsimile (with electronic conformation of delivery) on the first business day in the place of recipient, (iii) five (5) business days after having been sent, if sent by registered or certified mail, return receipt requested, postage prepaid. All communications shall be sent to the respective Parties at their address or contact details as set forth below, or to such address or contact details as subsequently modified by written notice given in accordance with this Section.

In Witness Whereof, the Parties hereto have caused this Agreement to be duly executed on the date first above written.

Borrower:

HUB Cyber Security Ltd.

By: /s/ Noah Hershcoviz

Name: **Noah Hershcoviz**

Title: **CEO**

Lender:

PrivCap Companies

By: /s/ Daniel Cohen

Name: **Daniel Cohen**

Title: **Authorized Representative**

This Settlement Agreement (“Agreement”) is entered into as of August 6, 2025, by and between HUB Cyber Security Ltd. (“HUB”), and Daniel Cohen, individually and as an authorized representative of PrivCap Funding, LLC (collectively, “Lender” or “Cohen”) (together, the “Parties”).

WHEREAS, on February 21, 2025, HUB and PrivCap Funding entered into a Loan Agreement pursuant to which HUB borrowed \$175,000, with a repayment obligation of \$235,000 by March 1, 2025 (the “Loan”);

WHEREAS, HUB wishes to repay the Loan via shares and Lender has agreed to such subject to the terms and conditions herein;

WHEREAS, the Parties desire to resolve all matters relating to the Loan Agreement and any related obligations including all matters between HUB and Lender through a mutually agreed-upon settlement and waiver of all claims either Party may have towards the other, in order to avoid further dispute and expense;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. Settlement Terms

1.1. By August 22, 2025, HUB shall deliver the following to Cohen:

- 100,000 unrestricted common shares of HUB (NASDAQ Symbol: HUBC) (the “Shares”) to be transferred into Cohen’s Schwab brokerage account [account details to be provided by Cohen in writing under separate cover], as long as the stock price on the date of transfer is at least \$2.75/share. If share price is lower than \$2.75/share on that date of the transfer to Cohen, HUB shall transfer additional shares such that the total value of the shares transferred shall equate to a value of no less than \$275,000 US Dollars as of the date of such transfer, which transfer shall constitute full satisfaction and repayment of the Loan as well as all outstanding fees which HUB may owe PrivCap and/or Cohen.

1.2. Upon full receipt of the Shares as outlined above, Cohen and PrivCap Funding LLC, jointly and severally, shall consider all obligations of HUB towards Lender and Cohen, including but not limited to HUB’s obligations under the February 21, 2025 Loan Agreement, fully satisfied and waived, including any and all claims for penalties, interest, or default under said agreement or otherwise.

1.3. If HUB fails to deliver the Shares by August 22, 2025, a penalty of 1,000 unrestricted HUBC shares per day will be incurred for each day of delay, until full delivery is completed. In the event of any litigation or other legal proceedings arising out of or relating to this Agreement or the enforcement of any rights hereunder, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, and expenses incurred, including those incurred in any appellate, bankruptcy, or post-judgment proceedings.

2. Mutual Waiver and Release

2.1. Effective upon full performance by HUB under Section 1.1 of this Agreement, Lender and Cohen, on behalf of himself and PrivCap Funding LLC, jointly and severally, irrevocably releases and discharges HUB, its officers, directors, employees, successors, and assigns from any and all claims, demands, actions, liabilities, or causes of action, whether known or unknown, arising out of or relating to the Loan Agreement as well as any other claims, demands or causes of action Lender and/or Cohen may have against HUB.

2.2. HUB releases and discharges Cohen and PrivCap Funding from any claims arising out of or relating to the Loan Agreement.

3. Representations and Warranties

Each Party represents and warrants that:

- It has full authority to enter into and perform this Agreement.
- This Agreement constitutes a legal, valid, and binding obligation, enforceable in accordance with its terms.

4. Miscellaneous

4.1. Governing Law and Venue: This Agreement shall be governed by the laws of the State of New York without regard to conflict of law principles. Venue for any action arising from this Agreement shall be exclusively brought in the courts situated in Palm Beach County, Florida.

4.2. Entire Agreement: This document constitutes the entire agreement between the Parties with respect to the subject matter and supersedes all prior agreements and understandings.

4.3. Counterparts: This Agreement may be executed in counterparts and via electronic signature, each of which shall be deemed an original.

Remainder of Page Intentionally Blank
Signature Page to Follow

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the date first written above.

HUB CYBER SECURITY LTD.

By: /s/ Noah Herscoviz
Name: Noah Herscoviz
Title: CEO

DANIEL COHEN / PRIVCAP FUNDING, LLC

By: /s/ Daniel Cohen
Name: Daniel Cohen
Title: Authorized Representative

On behalf of himself individually and on behalf of PrivCap Funding LLC, jointly and severally

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the “**Agreement**”), dated as of August 27, 2025, is by and among Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the “**Company**”), and each of the investors listed on the Schedule of Buyers attached hereto (individually, a “**Buyer**” and collectively, the “**Buyers**”).

RECITALS

A. The Company and each Buyer is executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a) (2) of the Securities Act of 1933, as amended (the “**1933 Act**”), and Rule 506(b) of Regulation D (“**Regulation D**”) as promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the 1933 Act.

B. The Company has authorized a new series of subordinated convertible notes of the Company, in the aggregate original principal amount of up to \$20,000,000, substantially in the form attached hereto as **Exhibit A** (the “**Notes**”), which Notes shall be convertible into Ordinary Shares (as defined below) (the Ordinary Shares issuable pursuant to the terms of the Notes, including, without limitation, upon conversion or otherwise, collectively, the “**Conversion Shares**”), in accordance with the terms of the Notes.

C. Each Buyer wishes to purchase, and the Company wishes to sell at the Initial Closing (as defined below), upon the terms and conditions stated in this Agreement, (i) a Note in the aggregate original principal amount set forth opposite such Buyer’s name in column (3) on the Schedule of Buyers (the “**Initial Notes**”) and (ii) a warrant to initially acquire up to that aggregate number of additional Ordinary Shares set forth opposite such Buyer’s name in column (4) on the Schedule of Buyers, substantially in the form attached hereto as **Exhibit B** (the “**Initial Warrants**”) (as exercised, collectively, the “**Initial Warrant Shares**”).

D. Subject to the terms and conditions set forth in this Agreement, any Lead Buyer (as defined below), severally, may require the Company to participate in one or more Additional Closings (as defined below) for the purchase by any such Lead Buyer, and the sale by the Company, of (i) one or more Notes up to \$11,359,375 in maximum aggregate original principal amount (the “**Maximum Additional Note Amount**”), as specified in such applicable Additional Closing Notice(s) (as defined below) (the “**Additional Notes**”) and (ii) a warrant to initially acquire up to such aggregate number of Ordinary Shares equal to 50% of the aggregate number of Conversion Shares issuable upon conversion of such Additional Note at the initial Conversion Price (as defined in such Additional Note) set forth therein (without regard to any limitations on conversion set forth therein) issuable to any such applicable Lead Buyer participating in such applicable Additional Closing (each, an “**Additional Warrant Share Amount**”), in the form attached hereto as **Exhibit B** (the “**Additional Warrants**”), and together with the Initial Warrants, the “**Warrants**”) (as exercised, collectively, the “**Additional Warrant Shares**” and together with the Initial Warrant Shares, the “**Warrant Shares**”).

E. At the Initial Closing, the parties hereto shall execute and deliver a Registration Rights Agreement, in the form attached hereto as **Exhibit C** (the “**Registration Rights Agreement**”), pursuant to which the Company has agreed to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement), under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

F. The Notes, the Conversion Shares, the Warrants and the Warrant Shares are collectively referred to herein as the “**Securities**”.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF NOTES AND WARRANTS

(a) Purchase of Notes and Warrants.

(i) Purchase of Initial Notes and Initial Warrants. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6(a) and 7(a) below, the Company shall issue and sell to each Buyer, and each Buyer severally, but not jointly, agrees to purchase from the Company on the Initial Closing Date (as defined below) (i) an Initial Note in the original principal amount as is set forth opposite such Buyer's name in column (3) on the Schedule of Buyers, and (ii) an Initial Warrant to initially acquire up to that aggregate number of Initial Warrant Shares as is set forth opposite such Buyer's name in column (4) on the Schedule of Buyers (the "**Initial Closing**").

(ii) Purchase of Additional Notes and Additional Warrants. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 1(b)(ii), 6(b) and 7(b) below, the Company shall issue and sell to such Lead Buyer, and such Lead Buyer severally, but not jointly, agrees to purchase from the Company on the applicable Additional Closing Date (as defined below) (i) an Additional Note in such aggregate original principal amount as is set forth in such applicable Additional Closing Notice (as defined below) and (ii) a warrant to initially acquire up to such applicable Additional Warrant Share Amount of Additional Warrant Shares as is set forth in such applicable Additional Closing Notice (each such closing of the purchase of such Additional Notes and such Additional Warrants, each, an "**Additional Closing**").

(b) Closing. Each of the Initial Closing and any Additional Closing (each a "**Closing**", and collectively, the "**Closings**") of the purchase of Notes and related Warrants by the Buyers shall occur at the offices of Kelley Drye & Warren LLP, 3 World Trade Center, 175 Greenwich Street, New York, NY 10007.

(i) Initial Closing. The date and time of the Initial Closing (the "**Initial Closing Date**") shall be 10:00 a.m., New York time, on the first (1st) Business Day on which the conditions to the Initial Closing set forth in Sections 6(a) and 7(a) below are satisfied or waived (or such other date as is mutually agreed to by the Company and each Buyer). As used herein "**Business Day**" means any day other than 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 or Israel, as the case may be, generally are open for use by customers on such day.

(ii) **Additional Closings.** Subject to the satisfaction (or waiver) of the conditions set forth in this Section 1(b)(ii) and Sections 6(b) and 7(b) below, at any time on or after the Initial Closing Date, each Lead Buyer, severally, shall have the right, exercisable by delivery by e-mail of a written notice to the Company (each, an “**Additional Closing Notice**”, and the date hereof, each an “**Additional Closing Notice Date**”) to purchase, and to require the Company to sell to such Lead Buyer, at one or more Additional Closings, (i) up to the Maximum Additional Note Amount (less the aggregate principal amount of any Additional Notes issued to such Lead Buyer in any prior Additional Closing) (each, an “**Additional Notes Amount**”) and (ii) an Additional Warrant to acquire up to such applicable Additional Warrant Share Amount of Additional Warrant Shares. Each Additional Closing Notice shall specify (A) the proposed date and time of the applicable Additional Closing (which, if unspecified in such Additional Closing Notice, shall be the second (2nd) Trading Day (as defined in the Warrants) after such Additional Closing Notice (or such other date as is mutually agreed to by the Company and each Lead Buyer)) (each, an “**Additional Closing Date**”, and together with the Initial Closing Date, each, a “**Closing Date**”), (B) such aggregate principal amount of Additional Notes to be purchased by such applicable Lead Buyer at such Additional Closing, which amount shall not be less than \$250,000, and (C) the applicable Additional Warrant Shares Amount of Additional Warrant Shares issuable upon exercise of the Additional Warrants to be issued to such Lead Buyer at such Additional Closing. If a Lead Buyer has not elected to effect an Additional Closing on or prior to the twelve (12) month anniversary of the Initial Closing Date (or such later date as the Required Holders (as defined below) may elect from time to time in writing to the Company, the “**Additional Closing Expiration Date**”), such Lead Buyer shall have no further right to effect an Additional Closing hereunder.

(c) **Purchase Price.** The aggregate purchase price for the Initial Notes and Initial Warrants to be purchased by each Buyer (the “**Initial Purchase Price**”) shall be the amount set forth opposite such Buyer’s name in column (5) on the Schedule of Buyers, which may be satisfied in cash or by cancellation of outstanding Indebtedness of the Company as specified opposite such Buyer’s name in column (5) on the Schedule of Buyers. Each Buyer shall pay approximately \$800 for each \$1,000 (or, if such Buyer’s Initial Purchase Price is being satisfied with the cancellation of outstanding notes issued to such Buyer by the Company, such Buyer shall pay approximately \$909 for each \$1000) of aggregate original principal amount of Initial Notes and related Initial Warrants to be purchased by such Buyer at the Initial Closing. The aggregate purchase price for the Additional Notes and the Additional Warrants to be purchased by any applicable Lead Buyer at any given Additional Closing (each, an “**Additional Purchase Price**”, and together with the Initial Purchase Price, each, a “**Purchase Price**”) shall be \$800 for each \$1,000 of aggregate principal amount of Additional Notes and related Warrants to be issued in such Additional Closing, which may be satisfied in cash, by cancellation of Indebtedness of the Company and/or in exchange for other securities (as applicable, each an “**Additional Closing Consideration**”), as the Company and such applicable Lead Buyer(s) shall mutually agree. Each Buyer and the Company agree that the Notes and the Warrants constitute an “investment unit” for purposes of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Buyers and the Company mutually agree that the allocation of the issue price of such investment unit between the Notes and the Warrants in accordance with Section 1273(c)(2) of the Code and Treasury Regulation Section 1.1273-2(h) shall be as mutually agreed by the parties, and neither the Buyers nor the Company shall take any position inconsistent with such allocation in any tax return or in any judicial or administrative proceeding in respect of taxes.

(d) Form of Payment.

(i) Initial Closing. On the Initial Closing Date, (i) each Buyer shall pay (and/or cancel Indebtedness of the Company in satisfaction of, as applicable) its respective Initial Purchase Price (less, in the case of any Buyer, the amounts withheld pursuant to Section 4(g)) to the Company for the Initial Notes and the Initial Warrants to be issued and sold to such Buyer at the Initial Closing, and, to the extent all, or any part, of such Buyer's Initial Purchase Price is being satisfied in cash, such portion to be satisfied in cash by wire transfer of immediately available funds in accordance with the Initial Flow of Funds Letter (as defined below) and (ii) the Company shall deliver to each Buyer (x) an Initial Note in the aggregate original principal amount as is set forth opposite such Buyer's name in column (3) of the Schedule of Buyers and (y) an Initial Warrant pursuant to which such Buyer shall have the right to initially acquire up to that aggregate number of Initial Warrant Shares as is set forth opposite such Buyer's name in column (4) on the Schedule of Buyers, in each case, duly executed on behalf of the Company and registered in the name of such Buyer or its designee.

(ii) Additional Closings. On the applicable Additional Closing Date, (i) each Lead Buyer participating in such Additional Closing shall pay or deliver to the Company such applicable Additional Closing Consideration (and/or cancel Indebtedness of the Company included in such Additional Closing Consideration, as applicable) with respect to such Additional Closing in satisfaction of its respective applicable Additional Purchase Price (less, in the case of any Lead Buyer, the amounts withheld pursuant to Section 4(g)) to the Company for such Additional Note and related Additional Warrants to be issued and sold to such Lead Buyer at such Additional Closing, and, to the extent all, or any part, of such Lead Buyer's Additional Purchase Price is being satisfied in cash, such portion to be satisfied in cash by wire transfer of immediately available funds in accordance with the applicable Additional Flow of Funds Letter (as defined below) and (ii) the Company shall deliver to each such applicable Lead Buyer (x) an Additional Note in such aggregate original principal amount as is set forth in the Additional Closing Notice to be issued to such Lead Buyer and (y) an Additional Warrant to initially acquire up to such applicable Additional Warrant Share Amount of Additional Warrant Shares as is set forth in the applicable Additional Closing Notice to be issued to such Lead Buyer, in each case, duly executed on behalf of the Company and registered in the name of such Lead Buyer or its designee.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer, severally and not jointly, represents and warrants to the Company with respect to only itself that, as of the date hereof and as of each Closing Date:

(a) Organization; Authority. Such Buyer is either (i) an individual with sufficient legal capacity or (ii) an entity duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as applicable, with all requisite power and authority, and has taken all requisite corporate or other action, as applicable, to enter into and to consummate the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring its Notes and Warrants, (ii) upon conversion of its Notes will acquire the Conversion Shares issuable upon conversion thereof, and (iii) upon exercise of its Warrants (other than pursuant to a Cashless Exercise (as defined in the Warrants)) will acquire the Warrant Shares issuable upon exercise thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption from registration under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities in violation of applicable securities laws. 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.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its advisors, if any, or its representatives shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained herein. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands that except as provided in the Registration Rights Agreement and Section 4(h) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the 1933 Act (or a successor rule thereto) (collectively, “**Rule 144**”); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. 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 and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document (as defined in Section 3(b)), including, without limitation, this Section 2(g).

(h) Validity; Enforcement. This Agreement and the Registration Rights Agreement have been duly and validly authorized, executed and delivered on behalf of such Buyer and shall constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer 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.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the Registration Rights Agreement and the consummation by such Buyer of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Buyer, 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 such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Buyers that, as of the date hereof and as of each Closing Date, except with respect to representations 3(f) through 3(tt) below as disclosed in the Company's annual report on Form 20-F for the year ended December 31, 2024:

(a) 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 Transaction Documents 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 Transaction Documents (as defined below). Other than the Persons (as defined below) set forth on Schedule 3(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**."

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. Each Subsidiary has the requisite power and authority to enter into and perform its obligations under the Transaction Documents to which it is a party. The execution and delivery of this Agreement and the other Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes and the reservation for issuance and issuance of the Conversion Shares issuable upon conversion of the Notes and the issuance of the Warrants and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants) have been duly authorized by the Company's board of directors or other governing body, as applicable, and (other than the filing with the SEC of one or more Registration Statements (as defined in the Registration Rights Agreement) in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and any other filings as may be required by any state securities agencies) no further filing, consent or authorization is required by the Company, its Subsidiaries, their respective boards of directors or their shareholders or other governing body. This Agreement has been, and the other Transaction Documents to which it is a party will be prior to the applicable Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Notes, the Warrants, the Registration Rights Agreement, 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.

(c) Issuance of Securities. The issuance of the Notes and the Warrants are duly authorized and upon issuance in accordance with the terms of the Transaction Documents 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 issuance thereof. As of each Closing, the Company shall have reserved from its duly authorized share capital not less than the Required Reserve Amount (as defined below). Upon issuance or conversion in accordance with the Notes or exercise in accordance with the Warrants (as the case may be), the Conversion Shares and the Warrant Shares, respectively, when issued, will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights or Liens with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Ordinary Shares. Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes, the Warrants, the Conversion Shares and the Warrant Shares and the reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) result in a violation of the Articles of Association (as defined below) (including, without limitation, any certificate of designation contained therein), Memorandum of Association (as defined below), 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.

(e) Consents. Neither the Company nor any Subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with (other than the filing with the SEC of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and any other filings as may be required by any state securities agencies), 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 Transaction 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 applicable Closing Date, 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 Transaction 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.

(f) Acknowledgment Regarding Buyer’s Purchase of Securities. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm’s length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that no Buyer is (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 no Buyer is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer’s purchase of the Securities. The Company further represents to each Buyer that the Company’s and each Subsidiary’s decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company, each Subsidiary and their respective representatives.

(g) 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 offer or sale of the Securities. 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 any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby, including, without limitation, placement agent fees payable to Rodman & Renshaw, LLC ("**Rodman**"), as the exclusive placement agent (the "**Placement Agent**") in connection with the sale of the Securities. The fees and expenses of the Placement Agent to be paid by the Company or any of its Subsidiaries are as set forth on Schedule 3(g) attached hereto. The Company shall pay, and hold each Buyer 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. The Company acknowledges that it has engaged the Placement Agent in connection with the sale of the Securities. Other than the Placement Agent, 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 Securities.

(h) 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 Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company for purposes of the 1933 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 Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Dilutive Effect. The Company understands and acknowledges that the number of Conversion Shares and Warrant Shares will increase in certain circumstances. The Company further acknowledges that its obligation to issue the Conversion Shares pursuant to the terms of the Notes in accordance with this Agreement and the Notes and the Warrant Shares upon exercise of the Warrants in accordance with this Agreement, the Notes and the Warrants is, in each case, absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholders of the Company.

(j) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested shareholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the Articles of Association, Memorandum of Association or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to any Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and any Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Ordinary Shares or a change in control of the Company or any of its Subsidiaries.

(k) SEC Documents; Financial Statements. Except as disclosed on Schedule 3(k), 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 Buyers or their respective 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 any of the Buyers which is not included in the SEC Documents (including, without limitation, information referred to in Section 2(e) 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 Financial 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.

(l) Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in a Form 20-F, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries. Since the date of the Company's most recent audited financial statements contained in a Form 20-F, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business or (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at such Closing, will not be Insolvent (as defined below). For purposes of this Section 3(l), "**Insolvent**" means, (i) with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total Indebtedness (as defined below), (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature; and (ii) with respect to the Company and each Subsidiary, individually, (A) the present fair saleable value of the Company's or such Subsidiary's (as the case may be) assets is less than the amount required to pay its respective total Indebtedness, (B) the Company or such Subsidiary (as the case may be) is unable to pay its respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company or such Subsidiary (as the case may be) intends to incur or believes that it will incur debts that would be beyond its respective ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances. No event, liability, development or circumstance has occurred or exists, or is reasonably expected to exist or occur with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise), that (i) would be required to be disclosed by the Company under applicable securities laws on a registration statement on Form F-1 filed with the SEC relating to an issuance and sale by the Company of its Ordinary Shares and which has not been publicly announced, (ii) would be reasonably expected to have a material adverse effect on any Buyer's investment hereunder or (iii) would be reasonably expected to have, a Material Adverse Effect.

(n) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Articles of Association, any certificate of designation, preferences or rights of any other outstanding series of preferred shares of the Company or any of its Subsidiaries or their organizational charter, certificate of formation, memorandum of association, articles of association, certificate of incorporation or certificate of incorporation or bylaws, respectively. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except in all cases for violations which have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Without limiting the generality of the foregoing, the Company is not in violation of any of the rules, regulations or requirements of the Principal Market and has no knowledge of any facts or circumstances that could reasonably lead to delisting or suspension of the Ordinary Shares by the Principal Market in the foreseeable future. Except as disclosed on Schedule 3(n), during the two years prior to the date hereof, (i) the Ordinary Shares have been listed or designated for quotation on the Principal Market, (ii) trading in the Ordinary Shares have not been suspended by the SEC or the Principal Market and (iii) the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension or delisting of the Ordinary Shares from the Principal Market. The Company and each of its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit. There is no agreement, commitment, judgment, injunction, order or decree binding upon the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is a party which has or would reasonably be expected to have the effect of prohibiting or materially impairing any business practice of the Company or any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted other than such effects, individually or in the aggregate, which have not had and would not reasonably be expected to have a Material Adverse Effect on the Company or any of its Subsidiaries.

(o) Foreign Corrupt Practices. Neither the Company, the Company's subsidiary or any director, officer, agent, employee, nor, to the knowledge of the Company, any other person acting for or on behalf of the foregoing (individually and collectively, a "**Company Affiliate**") have violated the U.S. Foreign Corrupt Practices Act (the "**FCPA**") or any other applicable anti-bribery or anti-corruption laws, nor has any Company Affiliate offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any officer, employee or any other person acting in an official capacity for any Governmental Entity to any political party or official thereof or to any candidate for political office (individually and collectively, a "**Government Official**") or to any person under circumstances where such Company Affiliate knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of:

(i) (A) influencing any act or decision of such Government Official in his/her official capacity, (B) inducing such Government Official to do or omit to do any act in violation of his/her lawful duty, (C) securing any improper advantage, or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Entity, or

(ii) assisting the Company or its Subsidiaries in obtaining or retaining business for or with, or directing business to, the Company or its Subsidiaries.

(p) Sarbanes-Oxley Act. The Company and each Subsidiary is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002, as amended, and any and all applicable rules and regulations promulgated by the SEC thereunder.

(q) Transactions With Affiliates. No current or former employee, partner, director, officer or shareholder (direct or indirect) of the Company or its Subsidiaries, or any associate, or, to the knowledge of the Company, any affiliate of any thereof, or, to the knowledge of the Company, any relative with a relationship no more remote than first cousin of any of the foregoing, is presently (or in the last twelve months has been) (i) a party to any transaction with the Company or its Subsidiaries (including any contract, agreement or other arrangement providing for the furnishing of services by, or rental of real or personal property from, or otherwise requiring payments to, any such director, officer or shareholder or such associate or affiliate or relative Subsidiaries (other than for ordinary course services as employees, officers or directors of the Company or any of its Subsidiaries)) or (ii) the direct or indirect owner of an interest in any corporation, firm, association or business organization which is a competitor, supplier or customer of the Company or its Subsidiaries (except for a passive investment (direct or indirect) in less than 5% of the Ordinary Shares of a company whose securities are traded on or quoted through an Eligible Market (as defined below)), nor does any such Person receive income from any source other than the Company or its Subsidiaries which relates to the business of the Company or its Subsidiaries or should properly accrue to the Company or its Subsidiaries. No employee, officer, shareholder or director of the Company or any of its Subsidiaries or member of his or her immediate family is indebted to the Company or its Subsidiaries, as the case may be, nor is the Company or any of its Subsidiaries indebted (or committed to make loans or extend or guarantee credit) to any of them, other than (i) for payment of salary or consulting or director fees for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of the Company, and (iii) for other standard employee benefits made generally available to all employees or executives (including equity grants under any share option plan approved by the Board of Directors of the Company).

(r) Equity Capitalization.

(i) Definitions:

(A) “**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.

(ii) Authorized and Outstanding Capital Stock. As of the date hereof, the authorized share capital of the Company consists of (A) 100,000,000 Ordinary Shares, of which, 21,875,787 are issued and outstanding and 44,285,349 shares are reserved for issuance pursuant to Ordinary Share Equivalents (as defined below) (other than the Notes) exercisable or exchangeable for, or convertible into, shares of Ordinary Shares and (B) 8,600 Ordinary Shares are held in the treasury of the Company. “**Ordinary Share Equivalents**” means any share capital or other security of the Company or any of its Subsidiaries 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 share capital or other security of the Company (including, without limitation, Ordinary Shares) or any of its Subsidiaries.

(iii) Valid Issuance; Available Shares; Affiliates. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Schedule 3(r)(iii) sets forth the number of Ordinary Shares that are (A) reserved for issuance pursuant to Ordinary Shares Equivalents (other than the Notes) and (B) that are, as of the date hereof, owned by Persons who are “affiliates” (as defined in Rule 405 of the 1933 Act and calculated based on the assumption that only officers, directors and holders of at least 10% of the Company’s issued and outstanding Ordinary Shares are “affiliates” without conceding that any such Persons are “affiliates” for purposes of federal securities laws) of the Company or any of its Subsidiaries. To the Company’s knowledge, no Person owns 10% or more of the Company’s issued and outstanding Ordinary Shares (calculated based on the assumption that all Ordinary Shares Equivalents, whether or not presently exercisable or convertible, have been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion (including “blockers”) contained therein without conceding that such identified Person is a 10% shareholder for purposes of federal securities laws).

(iv) Existing Securities; Obligations. Except as disclosed in the SEC Documents or in Schedule 3(r)(iv): (A) none of the Company’s or any Subsidiary’s shares, interests or share capital is subject to preemptive rights or any other similar rights or Liens suffered or permitted by the Company or any Subsidiary; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares, interests or share capital of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company or any of its Subsidiaries; (C) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except pursuant to the Registration Rights Agreement); (D) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (E) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; and (F) neither the Company nor any Subsidiary has any share appreciation rights or “phantom share” plans or agreements or any similar plan or agreement.

(v) Organizational Documents. The Company has made available to the Buyers true, correct and complete copies of the Company’s Articles of Association, as amended and as in effect on the date hereof (the “**Articles of Association**”) and the Company’s Memorandum of Association (the “**Memorandum of Association**”), and the terms of all Ordinary Shares Equivalents and the material rights of the holders thereof in respect thereto.

(s) **Indebtedness and Other Contracts.** Neither the Company nor any of its Subsidiaries, (i) except as disclosed on Schedule 3(s), has any outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound, (ii) is a party to any contract, agreement or instrument, any reasonably expected violation of which, or reasonably expected default under which, by the other party(ies) to such contract, agreement or instrument would reasonably be expected to result in a Material Adverse Effect, (iii) has any financing statements securing obligations in any amounts filed in connection with the Company or any of its Subsidiaries; (iv) is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not be reasonably likely to result, individually or in the aggregate, in a Material Adverse Effect, or (v) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is reasonably likely to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries have any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's or its Subsidiaries' respective businesses and which, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect. For purposes of this Agreement: (x) "**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; and (y) "**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) Litigation. There is no action, suit, arbitration, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, other Governmental Entity, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Ordinary Shares or any of the Company's or its Subsidiaries' officers or directors, whether of a civil or criminal nature or otherwise, in their capacities as such that if adversely determined would have a Material Adverse Effect. To the knowledge of the Company, no director, officer or employee of the Company or any of its subsidiaries has willfully violated 18 U.S.C. §1519 or engaged in spoliation in reasonable anticipation of litigation. Without limitation of the foregoing, there has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company, any of its Subsidiaries or any current or former director or officer of the Company or any of its Subsidiaries. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the 1933 Act or the 1934 Act. The Company is not aware of any fact which might result in or form the basis for any such action, suit, arbitration, investigation, inquiry or other proceeding. Neither the Company nor any of its Subsidiaries is subject to any order, writ, judgment, injunction, decree, determination or award of any Governmental Entity.

(u) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, and neither the Company nor any such Subsidiary has any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(v) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company and its Subsidiaries believe that their relations with their employees are good. No executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) or other key employee of the Company or any of its Subsidiaries has notified the Company or any such Subsidiary that such officer intends to leave the Company or any such Subsidiary or otherwise terminate such officer's employment with the Company or any such Subsidiary. To the Company's knowledge, no current (or former) executive officer or other key employee of the Company or any of its Subsidiaries is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(w) Title.

(i) Real Property. Each of the Company and its Subsidiaries holds good title to all real property, leases in real property, facilities or other interests in real property owned or held by the Company or any of its Subsidiaries (the “**Real Property**”) owned by the Company or any of its Subsidiaries (as applicable). The Real Property is free and clear of all Liens and is not subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except for (a) Liens for current taxes not yet due and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. Any Real Property held under lease by the Company or any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its Subsidiaries.

(ii) Fixtures and Equipment. Each of the Company and its Subsidiaries (as applicable) has good title to, or a valid leasehold interest in, the tangible personal property, equipment, improvements, fixtures, and other personal property and appurtenances that are used by the Company or its Subsidiary in connection with the conduct of its business (the “**Fixtures and Equipment**”). The Fixtures and Equipment are structurally sound, are in good operating condition and repair, are adequate for the uses to which they are being put, are not in need of maintenance or repairs except for ordinary, routine maintenance and repairs and are sufficient for the conduct of the Company’s and/or its Subsidiaries’ businesses (as applicable) in the manner as conducted prior to the applicable Closing. Each of the Company and its Subsidiaries owns all of its Fixtures and Equipment free and clear of all Liens except for (a) liens for current taxes not yet due, (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto and (c) Liens set forth in Schedule 3(w).

(x) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all 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 (“**Intellectual Property Rights**”) necessary to conduct their respective businesses as now conducted, except where the failure to own or possess such would not reasonably be expected to have a Material Adverse Effect. None of the Company’s patents that are both (x) owned by the Company or any of its Subsidiaries and (y) currently used in the business of the Company or any of its Subsidiaries (the “**Material Intellectual Property Rights**”) have expired or terminated or have been abandoned or are expected to expire or terminate or are expected to be abandoned, within two years from the date of this Agreement other than any such expirations or terminations that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect. The Company does not have any knowledge of any infringement by the Company or its Subsidiaries of Material Intellectual Property Rights of others which infringement is reasonably likely to have a Material Adverse Effect. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company or any of its Subsidiaries, being threatened, against the Company or any of its Subsidiaries regarding its Intellectual Property Rights, which claim, action or proceeding would reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of the Material Intellectual Property Rights.

(y) Environmental Laws.

(i) The Company and its Subsidiaries (A) are in compliance with any and all Environmental Laws (as defined below), (B) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (C) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (A), (B) and (C), the failure to so comply or so receive such approvals would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term “**Environmental Laws**” means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, “**Hazardous Materials**”) into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(ii) No Hazardous Materials:

(A) have been disposed of or otherwise released from any Real Property of the Company or any of its Subsidiaries in violation of any Environmental Laws; or

(B) are present on, over, beneath, in or upon any Real Property or any portion thereof in quantities that would constitute a violation of any Environmental Laws. No prior use by the Company or any of its Subsidiaries of any Real Property has occurred that violates any Environmental Laws, which violation would be reasonably expected to have a Material Adverse Effect.

(iii) Neither the Company nor any of its Subsidiaries knows of any other person who or entity which has stored, treated, recycled, disposed of or otherwise located on any Real Property any Hazardous Materials, including, without limitation, such substances as asbestos and polychlorinated biphenyls.

(iv) None of the Real Properties are on any federal or state “Superfund” list or Liability Information System (“**CERCLIS**”) list or any state environmental agency list of sites under consideration for CERCLIS, nor subject to any environmental related Liens.

(z) Subsidiary Rights. The Company or one of its Subsidiaries has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its Subsidiaries as owned by the Company or such Subsidiary.

(aa) Tax Status. The Company and each of its Subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply in each case except as would not reasonably be expected to have a Material Adverse Effect. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and its Subsidiaries know of no basis for any such claim. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the Code. The net operating loss carryforwards (“**NOLs**”) for United States federal income tax purposes of the consolidated group of which the Company is the common parent, if any, shall not be adversely effected by the transactions contemplated hereby. The transactions contemplated hereby do not constitute an “ownership change” within the meaning of Section 382 of the Code, thereby preserving the Company’s ability to utilize such NOLs.

(bb) Internal Accounting and Disclosure Controls. The Company and each of its Subsidiaries maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including that (i) transactions are executed in accordance with management’s general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management’s general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company’s management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure. Neither the Company nor any of its Subsidiaries has received any notice or correspondence from any accountant, Governmental Entity or other Person relating to any potential material weakness or significant deficiency (which significant deficiency has not been subsequently resolved) in any part of the internal controls over financial reporting of the Company or any of its Subsidiaries.

(cc) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its 1934 Act filings and is not so disclosed or that otherwise would be reasonably likely to have a Material Adverse Effect.

(dd) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an “investment company,” an affiliate of an “investment company,” a company controlled by an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company” as such terms are defined in the Investment Company Act of 1940, as amended.

(ee) Acknowledgement Regarding Buyers’ Trading Activity. It is understood and acknowledged by the Company, except as set forth in Section 4(y) below, that (i) following the public disclosure of the transactions contemplated by the Transaction Documents, in accordance with the terms thereof, none of the Buyers have been asked by the Company or any of its Subsidiaries to agree, nor has any Buyer 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 Securities for any specified term; (ii) any Buyer, and counterparties in “derivative” transactions to which any such Buyer is a party, directly or indirectly, presently may have a “short” position in the Ordinary Shares which was established prior to such Buyer’s knowledge of the transactions contemplated by the Transaction Documents; (iii) each Buyer shall not be deemed to have any affiliation with or control over any arm’s length counterparty in any “derivative” transaction; and (iv) each Buyer may rely on the Company’s obligation to timely deliver shares of Ordinary Shares upon conversion, exercise, or exchange, as applicable, of the Securities as and when required pursuant to the Transaction 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 Transaction Documents pursuant to the Press Release (as defined below), except as set forth in Section 4(y) below, one or more Buyers 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 Securities are outstanding, including, without limitation, during the periods that the value and/or number of the Conversion Shares and/or Warrant Shares, as applicable, deliverable with respect to the 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 shareholders’ 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 Notes, the Warrants, or any other Transaction Document or any of the documents executed in connection herewith or therewith.

(ff) Manipulation of Price. Neither the Company nor any of its Subsidiaries has, and, to the knowledge of the Company, no Person acting on their behalf has, directly or indirectly, (i) taken any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company or any of its Subsidiaries to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities (other than the Placement Agent), or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company or any of its Subsidiaries.

(gg) U.S. Real Property Holding Corporation. Neither the Company nor any of its Subsidiaries is, or has ever been, and so long as any of the Securities are held by any of the Buyers, shall become, a U.S. real property holding corporation within the meaning of Section 897 of the Code, and the Company and each Subsidiary shall so certify upon any Buyer's request.

(hh) Registration Eligibility. The Company is eligible to register the Registrable Securities for resale by the Buyers using Form F-1 promulgated under the 1933 Act.

(ii) Transfer Taxes. On each Closing Date, all share transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Securities to be sold to each Buyer hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(jj) Bank Holding Company Act; Regulation U or X.

(i) Neither the Company nor any of its Subsidiaries is subject to the Bank Holding Company Act of 1956, as amended (the "**BHCA**") and to regulation by the Board of Governors of the Federal Reserve System of the United States (the "**Federal Reserve**"). Neither the Company nor any of its Subsidiaries or affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(ii) The sale of the Notes, the use of proceeds thereof and the other transactions contemplated thereby or by the other Transaction Documents, will not violate or be inconsistent with the provisions of Regulation U or X of the Board of Governors of the Federal Reserve.

(kk) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its Subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries.

(ll) Money Laundering. The Company and its Subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, but not limited, to (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(mm) Management. During the past five year period, no current or, to the knowledge of the Company, former officer or director or, to the knowledge of the Company, no current ten percent (10%) or greater shareholder of the Company or any of its Subsidiaries has been the subject of:

(i) a petition under bankruptcy laws or any other insolvency or moratorium law or the appointment by a court of a receiver, fiscal agent or similar officer for such Person, or any partnership in which such person was a general partner at or within two years before the filing of such petition or such appointment, or any corporation or business association of which such person was an executive officer at or within two years before the time of the filing of such petition or such appointment;

(ii) a conviction in a criminal proceeding or a named subject of a pending criminal proceeding (excluding traffic violations that do not relate to driving while intoxicated or driving under the influence);

(iii) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining any such person from, or otherwise limiting, the following activities:

(1) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the United States Commodity Futures Trading Commission or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(2) Engaging in any particular type of business practice; or

(3) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of securities laws or commodities laws;

(iv) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any authority barring, suspending or otherwise limiting for more than sixty (60) days the right of any such person to engage in any activity described in the preceding sub paragraph, or to be associated with persons engaged in any such activity;

(v) a finding by a court of competent jurisdiction in a civil action or by the SEC or other authority to have violated any securities law, regulation or decree and the judgment in such civil action or finding by the SEC or any other authority has not been subsequently reversed, suspended or vacated; or

(vi) a finding by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding has not been subsequently reversed, suspended or vacated.

(nn) Stock Option Plans. Each share option granted by the Company was granted (i) in accordance with the terms of the applicable share option plan of the Company and (ii) with an exercise price at least equal to the fair market value of the Ordinary Shares on the date such share option would be considered granted under IFRS and applicable law. No share option granted under the Company's share option plan has been backdated. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company to knowingly grant, share options prior to, or otherwise knowingly coordinate the grant of share options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(oo) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which would be reasonably likely to affect the Company's ability to perform any of its obligations under any of the Transaction Documents. In addition, on or prior to the date hereof, the Company had discussions with its accountants about its financial statements previously filed with the SEC. Based on those discussions, the Company has no reason to believe that it will need to restate any such financial statements or any part thereof.

(pp) No Disqualification Events. With respect to Securities to be offered and sold hereunder in reliance on Rule 506(b) under the 1933 Act ("**Regulation D Securities**"), none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Buyers a copy of any disclosures provided thereunder.

(qq) Other Covered Persons. The Company is not aware of any Person (other than the Placement Agent) that has been or will be paid (directly or indirectly) remuneration for solicitation of Buyers or potential purchasers in connection with the sale of any Regulation D Securities.

(rr) No Additional Agreements. The Company does not have any agreement or understanding with any Buyer with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

(ss) Public Utility Holding Act. None of the Company nor any of its Subsidiaries is a “holding company,” or an “affiliate” of a “holding company,” as such terms are defined in the Public Utility Holding Act of 2005.

(tt) Federal Power Act. None of the Company nor any of its Subsidiaries is subject to regulation as a “public utility” under the Federal Power Act, as amended.

(uu) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided any of the Buyers or their agents 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 Transaction Documents. The Company understands and confirms that each of the Buyers will rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to the Buyers 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 each Buyer pursuant to or in connection with this Agreement and the other Transaction 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 Buyer makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

4. COVENANTS.

(a) Best Efforts. Each Buyer shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 6 of this Agreement. The Company shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 7 of this Agreement.

(b) Blue Sky. The Company shall, on or before each Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to, qualify the Securities for sale to the Buyers at such Closing pursuant to this Agreement under applicable securities or “Blue Sky” laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Buyers on or prior to such Closing Date. Without limiting any other obligation of the Company under this Agreement, the Company shall timely make all filings and reports relating to the offer and sale of the Securities required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable “Blue Sky” laws), and the Company shall comply with all applicable foreign, federal, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Securities to the Buyers.

(c) Reporting Status. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which the Buyers shall have sold all of the Registrable Securities (the “**Reporting Period**”), the Company shall timely file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would no longer require or otherwise permit such termination.

(d) Use of Proceeds. The Company will use the proceeds from the sale of the Securities for general corporate purposes, including the satisfaction of any indebtedness of the Company or any of its Subsidiaries, but not, directly or indirectly, for (i) the redemption or repurchase of any securities of the Company or any of its Subsidiaries, or (ii) the settlement of any outstanding litigation.

(e) Financial Information. The Company agrees to send the following to each Investor (as defined in the Registration Rights Agreement) during the Reporting Period (i) unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 20-F, Report of Foreign Issuer on Form 6-K, any interim reports or any consolidated balance sheets, income statements, shareholders’ equity statements and/or cash flow statements for any period other than annual, any Reports of Foreign Issuer on Form 6-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) unless the following are either filed with the SEC through EDGAR or are otherwise widely disseminated via a recognized news release service (such as PR Newswire), on the same day as the release thereof, e-mail copies of all press releases issued by the Company or any of its Subsidiaries and (iii) unless the following are filed with the SEC through EDGAR, copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders.

(f) Listing. The Company shall promptly secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities upon each national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) (subject to official notice of issuance) and shall maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall maintain the listing or authorization for quotation (as the case may be) of the Ordinary Shares on The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market (each, an “**Eligible Market**”). Neither the Company nor any of its Subsidiaries shall take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(f).

(g) Fees. The Company shall reimburse the Lead Buyers (i) at the Initial Closing, a non-accountable amount of \$75,000 for the fees and expenses of Kelley Drye & Warren LLP, and (ii) at the each Additional Closing, a non-accountable amount of \$35,000 for the fees and expenses of Kelley Drye & Warren LLP, in each case, for all costs and expenses incurred by it or its affiliates in connection with the structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents (including, without limitation, as applicable, all reasonable legal fees of outside counsel and disbursements of Kelley Drye & Warren LLP, counsel to the Lead Buyers, any other reasonable fees and expenses in connection with the structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents and due diligence and regulatory filings in connection therewith) (the “**Transaction Expenses**”) and shall be withheld by the applicable Lead Buyer from its Purchase Price at each Closing; provided, that the Company shall promptly reimburse Kelley Drye & Warren LLP on demand for all Transaction Expenses not so reimbursed through such withholding at each Closing. The Company shall be responsible for the payment of any placement agents’ fees and reimbursements (including the out-of-pocket expenses and attorneys’ fees), financial advisory fees, transfer agent fees, DTC (as defined below) fees or broker’s commissions (other than for Persons engaged by any Buyer) relating to or arising out of the transactions contemplated hereby (including, without limitation, any fees, reimbursements, attorneys’ fees, or commissions payable to the Placement Agent, who is the Company’s exclusive placement agent in connection with the transactions contemplated by this Agreement). The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys’ fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to the Buyers.

(h) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by an Investor in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Investor effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, Section 2(g) hereof; provided that an Investor and its pledgee shall be required to comply with the provisions of Section 2(g) hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by a Buyer.

(i) Disclosure of Transactions and Other Material Information.

(i) Disclosure of Transactions.

(1) **Initial Closing.** The Company shall, on or before 9:00 a.m., New York time, on the first (1st) Business Day after the date of this Agreement, issue a press release (the “**Initial Press Release**”) reasonably acceptable to the Buyers disclosing all the material terms of the transactions contemplated by the Transaction Documents. On or before 9:00 a.m., New York time, on the first (1st) Business Day after the date of this Agreement, the Company shall file a Report of Foreign Issuer on Form 6-K describing all the material terms of the transactions contemplated by the Transaction Documents in the form required by the 1934 Act (including all attachments, the “**Initial 6-K Filing**”). From and after the filing of the Initial 6-K Filing, the Company shall have disclosed all material, non-public information (if any) provided to any of the Buyers by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the filing of the Initial 6-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, 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 Buyers or any of their affiliates, on the other hand, shall terminate.

(2) **Additional Closings.** The Company shall, on or before 9:00 a.m., New York time, on the first (1st) Business Day after the Company receives from a Buyer electing to participate in such Additional Closing an Additional Closing Notice, either issue a press release (each, an “**Additional Press Release**”, and together with the Initial Press Release, the “**Press Releases**”) or file a Report of Foreign Issuer on Form 6-K (each, an “**Additional 6-K Filing**”, and together with the Initial 6-K Filing, the “**6-K Filings**”), in each case reasonably acceptable to such Buyer participating in such Additional Closing, disclosing that “an institutional investor” has elected to deliver an Additional Closing Notice to the Company or the Company and “an institutional investor” has mutually agreed to effect an Additional Closing, as applicable. From and after the filing of the Additional Press Release or Additional 6-K Filing, solely to the extent such Additional Closing Notice constitutes material non-public information (as specified by the Company in such applicable Additional Closing Notice), the Company shall have disclosed all material, non-public information (if any) provided to any of the Buyers by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the filing of the Additional 6-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, 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 Buyers or any of their affiliates, on the other hand, shall terminate.

(ii) Limitations on Disclosure. The Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to, provide any Buyer with any material, non-public information regarding the Company or any of its Subsidiaries from and after the date hereof without the express prior written consent of such Buyer (which may be granted or withheld in such Buyer's sole discretion). To the extent that the Company delivers any material, non-public information to a Buyer without such Buyer's consent, the Company hereby covenants and agrees that such Buyer shall not have any duty of confidentiality with respect to, or a duty not to trade on the basis of, such material, non-public information. Subject to the foregoing, neither the Company, its Subsidiaries nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of any Buyer, to make the applicable Press Release and any press release or other public disclosure with respect to such transactions (i) in substantial conformity with the applicable 6-K Filing and contemporaneously therewith and (ii) as is required by applicable law, regulations or applicable stock exchange rules (provided that in the case of clause (i) each Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of the applicable Buyer (which may be granted or withheld in such Buyer's sole discretion), the Company shall not (and shall cause each of its Subsidiaries and affiliates to not) disclose the name of such Buyer in any filing, announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that no Buyer shall have (unless expressly agreed to by a particular Buyer after the date hereof in a written definitive and binding agreement executed by the Company and such particular Buyer (it being understood and agreed that no Buyer may bind any other Buyer with respect thereto)), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any material, non-public information regarding the Company or any of its Subsidiaries.

(j) Reservation of Shares. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which no Notes or Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than the sum of (i) 200% of the maximum number of Ordinary Shares issuable upon conversion of all the Notes then outstanding (assuming for purposes hereof that (w) all Additional Notes issuable hereunder shall have been issued at an Additional Closing on the Initial Closing Date, (x) the Notes are convertible at the Conversion Price then in effect, (y) interest on the Notes shall accrue through the second anniversary of the Initial Closing Date 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 Notes set forth in the Notes), and (ii) the maximum number of Warrant Shares initially issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein) (collectively, the "**Required Reserve Amount**"); provided that at no time shall the number of Ordinary Shares reserved pursuant to this Section 4(j) be reduced other than proportionally (x) in connection with any conversion, exercise, and/or redemption, as applicable of the Notes and Warrants or (y) after the Additional Closing Expiration Date, to the extent any Additional Notes and Additional Warrants 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 Transaction 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.

(k) Conduct of Business. The business of the Company and its Subsidiaries shall not be conducted in violation of any law, ordinance or regulation of any Governmental Entity, except where such violations would not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect.

(l) Additional Issuance of Securities. So long as any Buyer beneficially owns any Securities, the Company will not, without the prior written consent of the Required Holders, issue any Notes (other than to the Buyers as contemplated hereby) and the Company shall not issue any other securities that would cause a breach or default under the Notes or Warrants. The Company agrees that for the period commencing on the date hereof and ending on the date immediately following the 90th calendar day after the Applicable Date (as defined below) (provided that such period shall be extended by the number of calendar days during such period and any extension thereof contemplated by this proviso on which any Registration Statement is not effective or any prospectus contained therein is not available for use or any Current Public Information Failure exists) (the “**Restricted Period**”), neither the Company nor any of its Subsidiaries shall directly or indirectly issue, offer, sell, grant any option or right to purchase, or otherwise dispose of (or announce 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 Ordinary Share Equivalents, any debt, any preferred stock or any purchase rights) (any such issuance, offer, sale, grant, disposition or announcement (whether occurring during the Restricted Period or at any time thereafter) is referred to as a “**Subsequent Placement**”). Notwithstanding the foregoing, this Section 4(l) shall not apply in respect of the issuance of (i) Ordinary Shares or standard options to purchase Ordinary Shares or restricted share units to directors, officers, consultants or employees of the Company in their capacity as such pursuant to an Approved Stock Plan (as defined below); (ii) Ordinary Shares issued upon the conversion or exercise of Ordinary Share Equivalents (other than standard options to purchase Ordinary Shares and restricted share units issued pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the date hereof, provided that the conversion, exercise or other method of issuance (as the case may be) of any such Ordinary Share Equivalent is made solely pursuant to the conversion, exercise or other method of issuance (as the case may be) provisions of such Ordinary Share Equivalent that were in effect on the date immediately prior to the date of this Agreement, the conversion, exercise or issuance price of any such Ordinary Share Equivalents (other than standard options to purchase Ordinary Shares and restricted share units issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered, none of such Ordinary Share Equivalents (other than standard options to purchase Ordinary Shares and restricted share units issued pursuant to an Approved Stock 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 Ordinary Shares Equivalents (other than standard options and restricted share units to purchase Ordinary Shares issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects any of the Buyers; (iii) the Conversion Shares; (iv) the Warrant Shares; (v) any securities issued in one or more Subsequent Placements with up to an aggregate net proceeds of \$5,000,000; (vi) any securities issued pursuant to a Permitted VRT (as defined below); and (vii) 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 (each of the foregoing in clauses (i) through (vii), collectively the “**Excluded Securities**”). For purposes of this Agreement: (i) “**Applicable Date**” means the earlier to occur of (x) the first date on which the resale by the Buyers of all the Registrable Securities (as defined in the Registration Rights Agreement) required to be filed on the initial Registration Statement pursuant to the Registration Rights Agreement is declared effective by the SEC (and each prospectus contained therein is available for use on such date) and (y) the first date on which all of the Registrable Securities are eligible to be resold by the Buyers pursuant to Rule 144 (or, if a Current Public Information Failure (as defined in the Registration Rights Agreement) has occurred and is continuing, such later date after which the Company has cured such Current Public Information Failure); (ii) “**Approved Stock Plan**” means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the date hereof pursuant to which Ordinary Shares and standard options to purchase Ordinary Shares and restricted share units may be issued to any employee, officer or director for services provided to the Company in their capacity as such; and (z) “**Permitted VRT**” means (x) an “equity line of credit” offering to any of the Buyers (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**”).

(m) Other Notes; Variable Securities. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which no Notes or Warrants remain outstanding, the Company and each Subsidiary shall be prohibited from effecting or entering into an agreement to effect a Variable Rate Transaction (other than any Permitted VRT). “**Variable Rate Transaction**” means a transaction in which the Company or any Subsidiary (i) issues or sells any Ordinary Share Equivalents either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Ordinary Shares at any time after the initial issuance of such Ordinary Share Equivalents, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such Ordinary Share Equivalents or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Ordinary Shares, other than pursuant to a customary “weighted average” anti-dilution provision or (ii) enters into any agreement (including, without limitation, an equity line of credit or an “at-the-market” offering) whereby the Company or any Subsidiary may sell securities at a future determined price (other than standard and customary “preemptive” or “participation” rights). Each Buyer shall be entitled to obtain injunctive relief against the Company and its Subsidiaries to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(n) Participation Right. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which no Notes remain outstanding, neither the Company nor any of its Subsidiaries shall, directly or indirectly, effect any Subsequent Placement unless the Company shall have first complied with this Section 4(n) with respect to such Buyers. The Company acknowledges and agrees that the right set forth in this Section 4(n) is a right granted by the Company, separately, to each Buyer.

(i) At least five (5) Trading Days prior to any proposed or intended Subsequent Placement, the Company shall deliver to each Buyer a written notice (each such notice, a “**Pre-Notice**”), which Pre-Notice shall not contain any information (including, without limitation, material, non-public information) other than: (A) if the proposed Offer Notice (as defined below) constitutes or contains material, non-public information, a statement asking whether the Buyer is willing to accept material non-public information or (B) if the proposed Offer Notice does not constitute or contain material, non-public information, (x) a statement that the Company proposes or intends to effect a Subsequent Placement, (y) a statement that the statement in clause (x) above does not constitute material, non-public information and (z) a statement informing such Buyer that it is entitled to receive an Offer Notice (as defined below) with respect to such Subsequent Placement upon its written request. Upon the written request of a Buyer within three (3) Trading Days after the Company’s delivery to such Buyer of such Pre-Notice, and only upon a written request by such Buyer, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver to such Buyer an irrevocable written notice (the “**Offer Notice**”) of any proposed or intended issuance or sale or exchange (the “**Offer**”) of the securities being offered (the “**Offered Securities**”) in a Subsequent Placement, which Offer Notice shall (A) identify and describe the Offered Securities, (B) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the Offered Securities to be issued, sold or exchanged, (C) identify the Persons (if known) to which or with which the Offered Securities are to be offered, issued, sold or exchanged and (D) offer to issue and sell to or exchange with such Buyer in accordance with the terms of the Offer such Buyer’s pro rata portion of 30% of the Offered Securities, provided that the number of Offered Securities which such Buyer shall have the right to subscribe for under this Section 4(n) shall be (x) based on such Buyer’s pro rata portion of the aggregate original principal amount of the Notes purchased hereunder by all Buyers at the Initial Closing (the “**Basic Amount**”), and (y) with respect to each Buyer that elects to purchase its Basic Amount, any additional portion of the Offered Securities attributable to the Basic Amounts of other Buyers as such Buyer shall indicate it will purchase or acquire should the other Buyers subscribe for less than their Basic Amounts (the “**Undersubscription Amount**”), which process shall be repeated until each Buyer shall have an opportunity to subscribe for any remaining Undersubscription Amount.

(ii) To accept an Offer, in whole or in part, such Buyer must deliver a written notice to the Company prior to the end of the fifth (5th) Business Day after such Buyer's receipt of the Offer Notice (the "**Offer Period**"), setting forth the portion of such Buyer's Basic Amount that such Buyer elects to purchase and, if such Buyer shall elect to purchase all of its Basic Amount, the Undersubscription Amount, if any, that such Buyer elects to purchase (in either case, the "**Notice of Acceptance**"). If the Basic Amounts subscribed for by all Buyers are less than the total of all of the Basic Amounts, then each Buyer who has set forth an Undersubscription Amount in its Notice of Acceptance shall be entitled to purchase, in addition to the Basic Amounts subscribed for, the Undersubscription Amount it has subscribed for; provided, however, if the Undersubscription Amounts subscribed for exceed the difference between the total of all the Basic Amounts and the Basic Amounts subscribed for (the "**Available Undersubscription Amount**"), each Buyer who has subscribed for any Undersubscription Amount shall be entitled to purchase only that portion of the Available Undersubscription Amount as the Basic Amount of such Buyer bears to the total Basic Amounts of all Buyers that have subscribed for Undersubscription Amounts, subject to rounding by the Company to the extent it deems reasonably necessary. Notwithstanding the foregoing, if the Company desires to modify or amend the terms and conditions of the Offer prior to the expiration of the Offer Period, the Company may deliver to each Buyer a new Offer Notice and the Offer Period shall expire on the fifth (5th) Business Day after such Buyer's receipt of such new Offer Notice.

(iii) The Company shall have five (5) Business Days from the expiration of the Offer Period above (A) to offer, issue, sell or exchange all or any part of such Offered Securities as to which a Notice of Acceptance has not been given by a Buyer (the "**Refused Securities**") pursuant to a definitive agreement(s) (the "**Subsequent Placement Agreement**"), but only to the offerees described in the Offer Notice (if so described therein) and only upon terms and conditions (including, without limitation, unit prices and interest rates) that are not more favorable to the acquiring Person or Persons or less favorable to the Company than those set forth in the Offer Notice and (B) to publicly announce (x) the execution of such Subsequent Placement Agreement, and (y) either (I) the consummation of the transactions contemplated by such Subsequent Placement Agreement or (II) the termination of such Subsequent Placement Agreement, which shall be filed with the SEC on a Report of Foreign Issuer on Form 6-K with such Subsequent Placement Agreement.

(iv) In the event the Company shall propose to sell less than all the Refused Securities (any such sale to be in the manner and on the terms specified in Section 4(n)(iii) above), then each Buyer may, at its sole option and in its sole discretion, withdraw its Notice of Acceptance or reduce the number or amount of the Offered Securities specified in its Notice of Acceptance to an amount that shall be not less than the number or amount of the Offered Securities that such Buyer elected to purchase pursuant to Section 4(n)(ii) above multiplied by a fraction, (i) the numerator of which shall be the number or amount of Offered Securities the Company actually proposes to issue, sell or exchange (including Offered Securities to be issued or sold to Buyers pursuant to this Section 4(n) prior to such reduction) and (ii) the denominator of which shall be the original amount of the Offered Securities. In the event that any Buyer so elects to reduce the number or amount of Offered Securities specified in its Notice of Acceptance, the Company may not issue, sell or exchange more than the reduced number or amount of the Offered Securities unless and until such securities have again been offered to the Buyers in accordance with Section 4(n)(i) above.

(v) Upon the closing of the issuance, sale or exchange of all or less than all of the Refused Securities, such Buyer shall acquire from the Company, and the Company shall issue to such Buyer, the number or amount of Offered Securities specified in its Notice of Acceptance, as reduced pursuant to Section 4(n)(iv) above if such Buyer has so elected, upon the terms and conditions specified in the Offer. The purchase by such Buyer of any Offered Securities is subject in all cases to the preparation, execution and delivery by the Company and such Buyer of a separate purchase agreement relating to such Offered Securities reasonably satisfactory in form and substance to such Buyer and its counsel.

(vi) Any Offered Securities not acquired by a Buyer or other Persons in accordance with this Section 4(n) may not be issued, sold or exchanged until they are again offered to such Buyer under the procedures specified in this Agreement.

(vii) The Company and each Buyer agree that if any Buyer elects to participate in the Offer, (x) neither the Subsequent Placement Agreement with respect to such Offer nor any other transaction documents related thereto (collectively, the “**Subsequent Placement Documents**”) shall include any term or provision whereby such Buyer shall be required to agree to any restrictions on trading as to any securities of the Company or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, any agreement previously entered into with the Company or any instrument received from the Company, and (y) any registration rights set forth in such Subsequent Placement Documents shall be similar in all material respects to the registration rights contained in the Registration Rights Agreement.

(viii) Notwithstanding anything to the contrary in this Section 4(n) and unless otherwise agreed to by such Buyer, the Company shall either confirm in writing to such Buyer that the transaction with respect to the Subsequent Placement has been abandoned or shall publicly disclose its intention to issue the Offered Securities, in either case, in such a manner such that such Buyer will not be in possession of any material, non-public information, by the fifth (5th) Business Day following delivery of the Offer Notice. If by such fifth (5th) Business Day, no public disclosure regarding a transaction with respect to the Offered Securities has been made, and no notice regarding the abandonment of such transaction has been received by such Buyer, such transaction shall be deemed to have been abandoned and such Buyer shall not be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries. Should the Company decide to pursue such transaction with respect to the Offered Securities, the Company shall provide such Buyer with another Offer Notice and such Buyer will again have the right of participation set forth in this Section 4(n). The Company shall not be permitted to deliver more than one such Offer Notice to such Buyer in any sixty (60) day period, except as expressly contemplated by the last sentence of Section 4(n)(ii).

(ix) The restrictions contained in this Section 4(n) shall not apply in connection with the issuance of any Excluded Securities. The Company shall not circumvent the provisions of this Section 4(n) by providing terms or conditions to one Buyer that are not provided to all.

(o) Dilutive Issuances. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which no Notes or Warrants remain outstanding, the Company shall not, in any manner, enter into or affect any Dilutive Issuance (as defined in the Notes) if the effect of such Dilutive Issuance is to cause the Company to be required to issue upon conversion of any Notes or exercise of any Warrants in excess of that number of Ordinary Shares which the Company may issue upon conversion of the Notes and exercise of the Warrants without breaching the Company's obligations under the rules or regulations of the Principal Market.

(p) Passive Foreign Investment Company. The Company shall use reasonable best efforts to conduct its business, and to cause its Subsidiaries to conduct their respective businesses, in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the Code.

(q) Restriction on Redemption and Cash Dividends. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which no Notes or Warrants remain outstanding, the Company shall not, directly or indirectly, redeem, or declare or pay any cash dividend or distribution on, any securities of the Company without the prior express written consent of the Buyers (other than as required by the Notes).

(r) Corporate Existence. Until the later of (x) the Additional Closing Expiration Date and (y) such date on which the Buyers no longer beneficially own any Notes or Warrants, the Company shall not be party to any Fundamental Transaction (as defined in the Notes) unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Notes.

(s) Ranking of Notes. No Indebtedness of the Company, as of each Closing Date, will be senior to the Notes in right of payment, whether with respect to payment or redemptions, interest, damages, upon liquidation or dissolution or otherwise (other than Permitted Indebtedness (as defined in the Notes) secured by Permitted Liens (as defined in the Notes)).

(t) Conversion and Exercise Procedures. Each of the form of Exercise Notice (as defined in the Warrants) included in the Warrants and the form of Conversion Notice (as defined in the Notes) included in the Notes set forth the totality of the procedures required of the Buyers in order to exercise the Warrants or convert the Notes. Except as otherwise provided in Section 5(d), no additional legal opinion, other information or instructions shall be required of the Buyers to exercise their Warrants or convert their Notes. The Company shall honor exercises of the Warrants and conversions of the Notes and shall deliver the Conversion Shares and Warrant Shares in accordance with the terms, conditions and time periods set forth in the Notes and Warrants. Without limiting the preceding sentences, no ink-original Conversion Notice or Exercise Notice shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Conversion Notice or Exercise Notice form be required in order to convert the Notes or exercise the Warrants.

(u) Regulation M. The Company will not take any action prohibited by Regulation M under the 1934 Act, in connection with the distribution of the Securities contemplated hereby.

(v) General Solicitation. None of the Company, any of its affiliates (as defined in Rule 501(b) under the 1933 Act) or any person acting on behalf of the Company or such affiliate will solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(w) Integration. None of the Company, any of its affiliates (as defined in Rule 501(b) under the 1933 Act), or any person acting on behalf of the Company or such affiliate will sell, offer for sale, or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the 1933 Act) which will be integrated with the sale of the Securities in a manner which would require the registration of the Securities under the 1933 Act or require shareholder approval under the rules and regulations of the Principal Market and the Company will take all action that is appropriate or necessary to assure that its offerings of other securities will not be integrated for purposes of the 1933 Act or the rules and regulations of the Principal Market, with the issuance of Securities contemplated hereby.

(x) Notice of Disqualification Events. The Company will notify the Buyers in writing, prior to each Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(y) No Net Short Position. Each Buyer hereby agrees solely with the Company, severally and not jointly, and not with any other Buyer, for so long as such Buyer owns any Notes, such Buyer 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 such Buyer 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 such Buyer (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 Notes), an Equity Conditions Failure (as defined in the 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 Transaction Document, in each case, shall be excluded from such calculations. For purposes of determining whether a Buyer has an equivalent offsetting “long” position in the Ordinary Shares, (A) all Ordinary Shares that are owned by such Buyer shall be deemed held “long” by such Buyer, (B) all Ordinary Shares that would be issuable upon conversion or exercise in full of all Securities issuable to such Buyer or then held by such Buyer, as applicable (assuming that such 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 such Buyer, and (C) at any other time the Company is required (or has elected (or is deemed to have elected)) to issue Ordinary Shares to such Buyer pursuant to the terms of the Notes, any Ordinary Shares issued or issuable to such Buyer (or its designee, if applicable) in connection therewith shall be deemed held “long” by such Buyer from and after the date that is one (1) Trading Day prior to the deadline for delivery of such Ordinary Shares to such Buyer, as set forth in the Notes, until such time as such Buyer shall no longer beneficially own such Ordinary Shares.

(z) Closing Documents. On or prior to fourteen (14) calendar days after each Closing Date, the Company agrees to deliver, or cause to be delivered, to each Buyer and Kelley Drye & Warren LLP a complete closing set of the executed Transaction Documents, Securities and any other document required to be delivered to any party pursuant to Section 7 hereof or otherwise.

(aa) Translations. The Company shall deliver the Transaction Documents, and any other document required to be delivered to any party pursuant to Section 7 hereof or otherwise, in English and the Company shall be responsible for providing accurate and complete translations of any such documents into English, as applicable. All translations provided by the Company shall be certified as accurate and complete. This certification shall be issued by a qualified individual or agency proficient in both the source and target languages, attesting to the accuracy of the translation. The Company shall also ensure that all translated documents are formatted consistently with the original documents. The Company shall bear all costs associated with the translation and certification of documents pursuant to this Section 4(aa).

5. 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 Securities), a register for the Notes and the Warrants in which the Company shall record the name and address of the Person in whose name the Notes and the Warrants have been issued (including the name and address of each transferee), the aggregate principal amount of the Notes held by such Person, the number of Conversion Shares issuable pursuant to the terms of the Notes held by such Person, and the number of Warrant Shares issuable upon exercise of the Warrants. The Company shall keep the register open and available at all times during business hours for inspection of any Buyer or its legal representatives.

(b) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent (as applicable, the “**Transfer Agent**”) in a form acceptable to each of the Buyers (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 each Buyer or its respective nominee(s), for the Conversion Shares and the Warrant Shares in such amounts as specified from time to time by each Buyer to the Company upon conversion of the Notes or exercise of the Warrants (as the case may be). The Company represents that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5(b), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If a Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares or Warrant Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(d) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to a Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(b) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(b), that a Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. 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 on each Effective Date (as defined in the Registration Rights Agreement). Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(c) Legends. Each Buyer understands that the Securities have been issued (or will be issued in the case of the Conversion Shares and the Warrant Shares) pursuant to an exemption from registration or qualification under the 1933 Act and applicable state securities laws, and except as set forth below, the 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 SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE [CONVERTIBLE][EXERCISABLE] HAVE BEEN][THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 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.

(d) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(c) above or any other legend (i) while a registration statement (including a Registration Statement) covering the resale of such Securities is effective under the 1933 Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that a Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of Buyer’s counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that such Buyer provides the Company with an opinion of counsel to such Buyer, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than one (1) Trading Day (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 such Buyer delivers such legended certificate representing such Securities to the Company) following the delivery by a Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such 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 such Buyer as may be required above in this Section 5(d), as directed by such Buyer, either: (A) provided that the Company’s transfer agent is participating in the DTC Fast Automated Securities Transfer Program (“FAST”) and such Securities are Conversion Shares or Warrant Shares, credit the aggregate number of Ordinary Shares to which such Buyer shall be entitled to such Buyer’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 such Buyer, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of such Buyer or its designee (the date by which such credit is so required to be made to the balance account of such Buyer’s or such Buyer’s designee with DTC or such certificate is required to be delivered to such Buyer 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 such Buyer or such Buyer’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 Securities or the removal of any legends with respect to any 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 a Buyer (or its designee) by the Required Delivery Date, either (I) if the Transfer Agent is not participating in FAST, a certificate for the number of Conversion Shares or Warrant Shares (as the case may be) to which such Buyer is entitled and register such Conversion Shares or Warrant Shares (as the case may be) on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of such Buyer or such Buyer's designee with DTC for such number of Conversion Shares or Warrant Shares (as the case may be) submitted for legend removal by such Buyer pursuant to Section 5(d) above or (II) if the Registration Statement covering the resale of the Conversion Shares or Warrant Shares (as the case may be) submitted for legend removal by such Buyer pursuant to Section 5(d) above (the "**Unavailable Shares**") is not available for the resale of such Unavailable Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify such Buyer and (y) deliver the Conversion Shares or Warrant Shares, as applicable, electronically without any restrictive legend by crediting such aggregate number of Conversion Shares or Warrant Shares (as the case may be) submitted for legend removal by such Buyer pursuant to Section 5(d) above to such Buyer's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred to as a "**Notice Failure**" and together with the event described in clause (I) above, a "**Delivery Failure**"), then, in addition to all other remedies available to such Buyer, the Company shall pay in cash to such Buyer 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 such Buyer on or prior to the Required Delivery Date and to which such Buyer is entitled, and (B) any trading price of the Ordinary Shares selected by such Buyer in writing as in effect at any time during the period beginning on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares or Warrant Shares (as the case may be) and ending on the applicable Share Delivery Date. In addition to the foregoing, if on or prior to the Required Delivery Date either (I) if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver a certificate to a Buyer 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 such Buyer or such Buyer's designee with DTC for the number of Ordinary Shares to which such Buyer submitted for legend removal by such Buyer pursuant to Section 5(d) above (ii) below or (II) a Notice Failure occurs, and if on or after such Trading Day such Buyer purchases (in an open market transaction or otherwise) of Ordinary Shares to deliver in satisfaction of a sale by such Buyer of Ordinary Shares submitted for legend removal by such Buyer pursuant to Section 5(d) above that such Buyer is entitled to receive from the Company (a "**Buy-In**"), then the Company shall, within one (1) Trading Day after such Buyer's request and in such Buyer's discretion, either (i) pay cash to such Buyer in an amount equal to such Buyer'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 such Buyer's balance account shall terminate and such shares shall be cancelled, or (ii) promptly honor its obligation to so deliver to such Buyer a certificate or certificates or credit the balance account of such Buyer or such Buyer'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 such Buyer in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Conversion Shares or Warrant Shares (as the case may be) that the Company was required to deliver to such Buyer by the Required Delivery Date multiplied by (B) the lowest Closing Sale Price (as defined in the Notes) of the Ordinary Shares on any Trading Day during the period commencing on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares or Warrant Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii). Nothing shall limit such Buyer'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 Notice Failure and/or Delivery Failure, this Section 5(e) shall not apply to the applicable Buyer the extent the Company has already paid such amounts in full to such Buyer with respect to such Notice Failure and/or Delivery Failure, as applicable, pursuant to the analogous sections of the Notes or Warrant, as applicable, then held by such Buyer.

(f) FAST Compliance. While any Notes or Warrants remain outstanding, the Company shall maintain a transfer agent that participates in FAST.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Initial Notes and related Initial Warrants to each Buyer at the Initial Closing is subject to the satisfaction, at or before the Initial Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Such Buyer and each other Buyer shall have delivered to the Company (and/or canceled Indebtedness of the Company in satisfaction of, as applicable) the Initial Purchase Price (less, in the case of any Buyer, the amounts withheld pursuant to Section 4(g)) for the Initial Notes and related Initial Warrants being purchased by such Buyer at the Initial Closing and, to the extent all, or any part, of any such Buyer's Initial Purchase Price is being satisfied in cash, such portion shall have been satisfied in cash by wire transfer of immediately available funds, in accordance with the applicable Initial Flow of Funds Letter.

(iii) The representations and warranties of such Buyer shall be true and correct in all material respects as of the date when made and as of the Initial Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Initial Closing Date.

(b) The obligation of the Company hereunder to issue and sell the applicable Additional Notes and the applicable related Additional Warrants to each Lead Buyer at any Additional Closing is subject to the satisfaction, at or before such applicable Additional Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Lead Buyer with prior written notice thereof:

(i) Such Lead Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) Such Lead Buyer and each other Lead Buyer shall have paid or delivered to the Company such applicable Additional Closing Consideration (and/or canceled Indebtedness of the Company included in such Additional Closing Consideration, as applicable) with respect to such Additional Closing in satisfaction of its respective applicable Additional Purchase Price (less, in the case of any Lead Buyer, the amounts withheld pursuant to Section 4(g)) for such Additional Notes and the related Additional Warrants being purchased by such Lead Buyer at such applicable Additional Closing and, to the extent all, or any part, of any such Lead Buyer's Additional Purchase Price is being satisfied in cash, such portion shall have been satisfied in cash by wire transfer of immediately available funds, in accordance with the applicable Additional Flow of Funds Letter.

(iii) The representations and warranties of such Lead Buyer shall be true and correct in all material respects as of the date when made and as of such applicable Additional Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and such Lead Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Lead Buyer at or prior to such applicable Additional Closing Date.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Initial Note and its related Initial Warrants at the Initial Closing is subject to the satisfaction, at or before the Initial Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to such Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to such Buyer (A) an Initial Note in the original principal amount as set forth across from such Buyer's name in column (3) of the Schedule of Buyers as being purchased by such Buyer at the Initial Closing pursuant to this Agreement and (B) an Initial Warrant initially exercisable for such aggregate number of Initial Warrant Shares as is set forth across from such Buyer's name in column (4) of the Schedule of Buyers, in each case, as being purchased by such Buyer at the Initial Closing pursuant to this Agreement.

(ii) Such Buyer shall have received the opinions of Goldfarb Gross Seligman & Co., the Company's Israeli counsel, and Honigman LLP the Company's United States counsel, in each case dated as of the Initial Closing Date and in the form acceptable to such Buyer.

(iii) The Company shall have delivered to such Buyer a copy of the Irrevocable Transfer Agent Instructions, in the form acceptable to such Buyer, which instructions shall have been delivered to and acknowledged in writing by the Company's transfer agent.

(iv) The Company shall have delivered to such Buyer a certificate evidencing the formation of the Company issued by the Israeli Registrar of Companies as of a date within ten (10) days of the Initial Closing Date.

(v) The Company shall have delivered to such Buyer a certificate, in the form acceptable to such Buyer, executed by the Secretary of the Company and dated as of the Initial Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to such Buyer, and the (ii) the Memorandum of Association and Articles of Association as in effect at the Initial Closing.

(vi) Each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the Initial Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have 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 Initial Closing Date. Such Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of the Initial Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form acceptable to such Buyer.

(vii) The Company shall have delivered to such Buyer a letter from the Company's transfer agent certifying the number of Ordinary Shares outstanding on the Initial Closing Date immediately prior to the Initial Closing.

(viii) The Ordinary Shares (A) shall be designated for quotation or listed (as applicable) on the Principal Market and (B) shall not have been suspended, as of the Initial Closing Date, by the SEC or the Principal Market from trading on the Principal Market nor shall suspension by the SEC or the Principal Market have been threatened, as of the Initial Closing Date, either (I) in writing by the SEC or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market.

(ix) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market, if any.

(x) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Entity of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(xi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(xii) The Company shall have submitted a notice of listing of additional shares with the Principal Market to list or designate for quotation (as the case may be) the Conversion Shares and the Warrant Shares.

(xiii) Such Buyer shall have received a letter on the letterhead of the Company, duly executed by Rodman and the Chief Executive Officer of the Company, setting forth the wire amounts of each Buyer and the wire transfer instructions of the Company (the “**Initial Flow of Funds Letter**”).

(xiv) The Company and its Subsidiaries shall have delivered to such Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as such Buyer or its counsel may reasonably request.

(b) The obligation of each Lead Buyer hereunder to purchase its applicable Additional Note and its applicable related Warrants at any Additional Closing is subject to the satisfaction, at or before such applicable Additional Closing Date, of each of the following conditions, provided that these conditions are for each Lead Buyer’s sole benefit and may be waived by such Lead Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to such Lead Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to such Lead Buyer (A) an Additional Note for such aggregate principal amount as set forth in the applicable Additional Closing Notice, and (B) an Additional Warrant initially exercisable for such Additional Warrant Share Amount of Additional Warrant Shares as set forth in the applicable Additional Closing Notice, in each case, as being purchased by such Lead Buyer at such applicable Additional Closing pursuant to this Agreement.

(ii) Such Lead Buyer shall have received the opinions of Goldfarb Gross Seligman & Co., the Company’s Israeli counsel, and Honigman LLP the Company’s United States counsel, in each case dated as of such applicable Additional Closing Date and in the form acceptable to such Lead Buyer.

(iii) The Company shall have delivered to such Lead Buyer a copy of the Irrevocable Transfer Agent Instructions, in the form acceptable to such Lead Buyer, which instructions shall have been delivered to and acknowledged in writing by the Company’s transfer agent.

(iv) The Company shall have delivered to such Lead Buyer a certificate evidencing the formation of the Company issued by the Israeli Registrar of Companies as of a date within ten (10) days of such applicable Additional Closing Date.

(v) The Company shall have delivered to such Lead Buyer a certificate, in the form acceptable to such Lead Buyer, executed by the Secretary of the Company and dated as of such applicable Additional Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company’s board of directors in a form reasonably acceptable to such Lead Buyer, and the (ii) the Memorandum of Association and Articles of Association as in effect at such applicable Additional Closing.

(vi) Each and every representation and warranty of the Company shall be 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 such applicable Additional Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have 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 such applicable Additional Closing Date. Such Lead Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of such applicable Additional Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Lead Buyer in the form acceptable to such Lead Buyer.

(vii) The Company shall have delivered to such Lead Buyer a letter from the Company's transfer agent certifying the number of Ordinary Shares outstanding on such applicable Additional Closing Date immediately prior to such applicable Additional Closing.

(viii) The Ordinary Shares (A) shall be designated for quotation or listed (as applicable) on the Principal Market and (B) shall not have been suspended, as of such applicable Additional Closing Date, by the SEC or the Principal Market from trading on the Principal Market nor shall suspension by the SEC or the Principal Market have been threatened, as of such applicable Additional Closing Date, either (I) in writing by the SEC or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market.

(ix) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the Principal Market, if any.

(x) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Entity of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(xi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(xii) The Company shall have submitted a notice of listing of additional shares with the Principal Market to list or designate for quotation (as the case may be) the Conversion Shares and the Warrant Shares.

(xiii) Such Lead Buyer shall have received a letter on the letterhead of the Company, duly executed by the Chief Executive Officer of the Company, setting forth the wire amounts of each Lead Buyer and the wire transfer instructions of the Company (the "**Additional Flow of Funds Letter**").

(xiv) The Company and its Subsidiaries shall have delivered to such Lead Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as such Lead Buyer or its counsel may reasonably request.

8. TERMINATION.

In the event that the Initial Closing shall not have occurred with respect to a Buyer within five (5) days of the date hereof, then such Buyer shall have the right to terminate its obligations under this Agreement with respect to itself at any time on or after the close of business on such date without liability of such Buyer to any other party; provided, however, (i) the right to terminate this Agreement under this Section 8 shall not be available to such Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Buyer's breach of this Agreement and (ii) the abandonment of the sale and purchase of the Notes and the Warrants shall be applicable only to such Buyer providing such written notice, provided further that no such termination shall affect any obligation of the Company under this Agreement to reimburse such Buyer for the expenses described in Section 4(g) above. Nothing contained in this Section 8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. MISCELLANEOUS.

(a) 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 Delaware, without giving effect to any provision or rule that would cause the application of the laws of any jurisdictions other than the State of Delaware. The Company 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 under any of the other Transaction Documents or with any transaction contemplated hereby or thereby, 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. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. The Company hereby appoints the Person set forth on Schedule 9(a) 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 Transaction Documents.

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability; Maximum Payment Amounts. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties 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). Notwithstanding anything to the contrary contained in this Agreement or any other Transaction 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 and/or any of its Subsidiaries (as the case may be), or payable to or received by any of the Buyers, under the Transaction Documents (including without limitation, any amounts that would be characterized as “interest” under applicable law) exceed amounts permitted under any applicable law. Accordingly, if any obligation to pay, payment made to any Buyer, or collection by any Buyer pursuant the Transaction 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 such Buyer, the Company and its Subsidiaries 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 such Buyer, the amount of interest or any other amounts which would constitute unlawful amounts required to be paid or actually paid to such Buyer under the Transaction Documents. For greater certainty, to the extent that any interest, charges, fees, expenses or other amounts required to be paid to or received by such Buyer under any of the Transaction 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.

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its Subsidiaries, their affiliates and Persons acting on their behalf, including, without limitation, any transactions by any Buyer with respect to Ordinary Shares or the Securities, and the other matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Buyer has entered into with, or any instruments any Buyer has received from, the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Buyer in the Company or (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries, or any rights of or benefits to any Buyer or any other Person, in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Buyer, or any instruments any Buyer received from the Company and/or any of its Subsidiaries prior to the date hereof, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Required Holders, and any amendment to any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable; provided that no such amendment shall be effective to the extent that it (A) applies to less than all of the holders of the Securities then outstanding or (B) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Required Holders may waive any provision of this Agreement, and any waiver of any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable, provided that no such waiver shall be effective to the extent that it (1) applies to less than all of the holders of the Securities then outstanding (unless a party gives a waiver as to itself only) or (2) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No consideration (other than reimbursement of legal fees) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents, all holders of the Notes or all holders of the Warrants (as the case may be). From the date hereof and while any Notes or Warrants are outstanding, the Company shall not be permitted to receive any consideration from a Buyer or a holder of Notes or Warrants that is not otherwise contemplated by the Transaction Documents in order to, directly or indirectly, induce the Company or any Subsidiary (i) to treat such Buyer or holder of Notes or Warrants in a manner that is more favorable than to other similarly situated Buyers or holders of Notes or Warrants, as applicable, or (ii) to treat any Buyer(s) or holder(s) of Notes or Warrants in a manner that is less favorable than the Buyer or holder of Notes or Warrants that is paying such consideration; provided, however, that the determination of whether a Buyer has been treated more or less favorably than another Buyer shall disregard any securities of the Company purchased or sold by any Buyer. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company, any Subsidiary or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that (x) no due diligence or other investigation or inquiry conducted by a Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document and (y) unless a provision of this Agreement or any other Transaction Document is expressly preceded by the phrase "except as disclosed in the SEC Documents," nothing contained in any of the SEC Documents shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document. "**Required Holders**" means (i) prior to the Initial Closing Date, each Buyer entitled to purchase Notes at the Initial Closing and (ii) on or after the Initial Closing Date, (x) Keystone Capital Partners, LLC ("**Keystone**"), and together with any of its affiliates party hereto from time to time, each a "**Lead Buyer**", until the later of (A) Additional Closing Expiration Date and (B) such date as Keystone (or any of its Affiliates) no longer holds any Securities or (y) thereafter, holders of a majority of the Registrable Securities as of such time (excluding any Registrable Securities held by the Company or any of its Subsidiaries as of such time) issued or issuable hereunder or pursuant to the Notes and/or the Warrants (or the Buyers, with respect to any waiver or amendment of Section 4(n)).

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by electronic mail (provided that such sent email is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to such recipient); or (iii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The mailing addresses and e-mail addresses for such communications shall be:

If to the Company:

Hub Cyber Security Ltd
2 Kaplan St.
Tel Aviv 6473403, Israel
Attention: Tuvia Grossman, General Counsel and Chief Legal
Officer
Email: [**]

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: [**]; [**]

and

Honigman LLP
660 Woodward Ave # 2290
Detroit, MI 48226
Attention: Michael Rosenberg
Email: [**]

If to the Transfer Agent:

Equiniti Trust Company, LLC
48 Wall Street, Floor 23
New York, NY 10005
Attention: Maritza Vicole
E-Mail: [**]

If to a Buyer, to its mailing address and e-mail address set forth on the Schedule of Buyers, with copies to such Buyer's representatives as set forth on the Schedule of Buyers,

with a copy (for informational purposes only) to:

Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, NY 10007
Telephone: [**]
Attention: Michael A. Adelstein, Esq.
E-Mail: [**]

or to such other mailing address and/or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change, provided that Kelley Drye & Warren LLP shall only be provided copies of notices sent to the applicable Lead Buyer. 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 e-mail containing the time, date and recipient's e-mail or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by e-mail or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of any of the Notes and the Warrants. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Required Holders, including, without limitation, by way of a Fundamental Transaction (as defined in the Notes) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions as set forth in the Notes) or a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions as set forth in the Warrants). A Buyer may assign some or all of its rights hereunder in connection with any transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(h) 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, other than the Indemnitees referred to in Section 9(k). Notwithstanding the foregoing, the Placement Agent shall be the third party beneficiary of the representations, warranties, and covenants of the Company and of the Buyer in this Agreement.

(i) Survival. The representations, warranties, agreements and covenants shall survive each Closing. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) 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 any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification. In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer and each holder of any Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnatee 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 Indemnatee as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the Company or any Subsidiary in any of the Transaction Documents, (ii) any breach of any covenant, agreement or obligation of the Company or any Subsidiary contained in any of the Transaction Documents or (iii) any cause of action, suit, proceeding or claim brought or made against such Indemnatee by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnatee that arises out of or results from (A) the execution, delivery, performance or enforcement of any of the Transaction Documents, (B) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (C) any disclosure properly made by such Buyer pursuant to Section 4(i), or (D) the status of such Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief). 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. Except as otherwise set forth herein, the mechanics and procedures with respect to the rights and obligations under this Section 9(k) shall be the same as those set forth in Section 6 of the Registration Rights Agreement.

(l) 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. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement. Notwithstanding anything in this Agreement to the contrary, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty against, or a prohibition of, any actions with respect to the borrowing of, arrangement to borrow, identification of the availability of, and/or securing of, securities of the Company in order for such Buyer (or its broker or other financial representative) to effect short sales or similar transactions in the future.

(m) Remedies. Each Buyer and in the event of assignment by Buyer of its rights and obligations hereunder, each holder of Securities, shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to 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 or any Subsidiary fails to perform, observe, or discharge any or all of its or such Subsidiary's (as the case may be) obligations under the Transaction Documents, any remedy at law would inadequate relief to the Buyers. The Company therefore agrees that the Buyers shall be entitled 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 remedies provided in this Agreement and the other Transaction Documents shall be cumulative and in addition to all other remedies available under this Agreement and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief).

(n) Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company or any Subsidiary does not timely perform its related obligations within the periods therein provided, then such Buyer may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company or such Subsidiary (as the case may be), any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to any Buyer hereunder or pursuant to any of the other Transaction Documents or any of the Buyers enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

(p) Judgment Currency.

(i) If for the purpose of obtaining or enforcing judgment against the Company in connection with this Agreement or any other Transaction Document in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 9(p) referred to as the “**Judgment Currency**”) an amount due in US Dollars under this Agreement, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(1) 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

(2) 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 9(p)(i)(2) being hereinafter referred to as the “**Judgment Conversion Date**”).

(ii) If in the case of any proceeding in the court of any jurisdiction referred to in Section 9(p)(i)(2) 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.

(iii) 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 Agreement or any other Transaction Document.

(q) Independent Nature of Buyers’ Obligations and Rights. The obligations of each Buyer under the Transaction Documents are several and not joint with the obligations of any other Buyer, and no Buyer shall 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 any Buyer pursuant hereto or thereto, shall be deemed to constitute the Buyers as, and the Company acknowledges that the Buyers do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Buyers are in any way acting in concert or as a group or entity, and the Company shall not assert any such claim with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Buyers are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by the Transaction Documents. The decision of each Buyer to purchase Securities pursuant to the Transaction Documents has been made by such Buyer independently of any other Buyer. Each Buyer acknowledges that no other Buyer has acted as agent for such Buyer in connection with such Buyer making its investment hereunder and that no other Buyer will be acting as agent of such Buyer in connection with monitoring such Buyer’s investment in the Securities or enforcing its rights under the Transaction Documents. The Company and each Buyer confirms that each Buyer has independently participated with the Company and its Subsidiaries in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Buyer shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose. The use of a single agreement to effectuate the purchase and sale of the Securities contemplated hereby was solely in the control of the Company, not the action or decision of any Buyer, and was done solely for the convenience of the Company and its Subsidiaries and not because it was required or requested to do so by any Buyer. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company, each Subsidiary and a Buyer, solely, and not between the Company, its Subsidiaries and the Buyers collectively and not between and among the Buyers.

[signature pages follow]

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.

COMPANY:
HUB CYBER SECURITY LTD

By: _____
Name:
Title:

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:

[LEAD BUYER]

By: _____
Name:
Title:

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:

[OTHER BUYERS]

By: _____
Name:
Title:

SCHEDULE OF BUYERS

[**]

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

[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 20(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 [**]

HUB CYBER SECURITY LTD

SUBORDINATED CONVERTIBLE NOTE

Issuance Date: ____, 20__

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 [BUYER] 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, or upon acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and, to pay interest (“**Interest**”) on any outstanding Principal at the applicable Interest Rate (as defined below) from the date set forth above as the Issuance Date (the “**Issuance Date**”) until 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 [____], 2025 (the “**Subscription Date**”), by and among the Company and the investors (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 33.

1. PAYMENTS OF PRINCIPAL. 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 26(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; INTEREST RATE.

(a) Interest on this Note shall commence accruing on the Issuance Date and shall be computed on the basis of a 360-day year and twelve 30-day months and shall be payable in arrears on the first (1st) Trading Day of each Fiscal Quarter (each, an “**Interest Date**”) with the first Interest Date being October 1, 2025. Interest shall be payable on each Interest Date, to the record holder of this Note on the applicable Interest Date, in Ordinary Shares (“**Interest Shares**”) so long as there has been no Equity Conditions Failure; provided however, that the Company may, at its option following notice to the Holder, pay Interest on any Interest Date in cash (“**Cash Interest**”) or in a combination of Cash Interest and Interest Shares. The Company shall deliver a written notice (each, an “**Interest Election Notice**”) to each holder of the Notes on or prior to the tenth (10th) Trading Day immediately prior to the applicable Interest Date (each, an “**Interest Notice Due Date**”) (the date such notice is delivered to all of the holders of Notes, the “**Interest Notice Date**”) which notice (i) either (A) confirms that Interest to be paid on such Interest Date shall be paid entirely in Interest Shares or (B) elects to pay Interest as Cash Interest or a combination of Cash Interest and Interest Shares and specifies the amount of Interest that shall be paid as Cash Interest and the amount of Interest, if any, that shall be paid in Interest Shares and (ii) certifies that there has been no Equity Conditions Failure. If an Equity Conditions Failure has occurred as of the Interest Notice Date, then unless the Company has elected to pay such Interest as Cash Interest, the Interest Election Notice shall indicate that unless the Holder waives the Equity Conditions Failure, the Interest shall be paid as Cash Interest. Notwithstanding anything herein to the contrary, if no Equity Conditions Failure has occurred as of the Interest Notice Date but an Equity Conditions Failure occurs at any time prior to the Interest Date, (A) the Company shall provide the Holder a subsequent notice to that effect and (B) unless the Holder waives the Equity Conditions Failure, the Interest shall be paid in cash. Interest to be paid on an Interest Date in Interest Shares shall be paid in a number of fully paid and nonassessable Ordinary Shares (rounded to the nearest whole share in accordance with Section 3(a)) equal to the quotient of (1) the amount of Interest payable on such Interest Date less any Cash Interest paid and (2) the applicable Alternate Conversion Price in effect on the applicable Interest Date.

(b) When any Interest Shares are to be paid on an Interest Date, the Company shall (i) (A) provided that the Company's transfer agent (the "**Transfer Agent**") is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program ("**FAST**"), credit such aggregate number of Interest Shares to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (B) if the Transfer Agent is not participating in FAST, issue and deliver on the applicable Interest Date, to the address set forth in the register maintained by the Company for such purpose pursuant to the Securities Purchase Agreement or to such address as specified by the Holder in writing to the Company at least one (1) Trading Day prior to the applicable Interest Date, a certificate, registered in the name of the Holder or its designee, for the number of Interest Shares to which the Holder shall be entitled and (ii) with respect to each Interest Date, pay to the Holder, in cash by wire transfer of immediately available funds, the amount of any Cash Interest.

(c) Prior to the payment of Interest on an Interest Date, Interest on this Note shall accrue at the Interest Rate and be payable by way of inclusion of the 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 13 or any required payment upon any Bankruptcy Event of Default (as defined below). From and after the occurrence and during the continuance of any Event of Default, the Interest Rate in effect with respect to such determination shall automatically be increased to the Default Rate. In the event that such Event of Default (as defined below) 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), the adjustment referred to in the preceding sentence shall cease to be effective as of the calendar day immediately following the date of such cure; provided that the Interest as calculated and unpaid at such increased rate 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.

(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 20(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 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 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 20(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. Notwithstanding anything to the contrary contained in this Note or the Registration Rights Agreement, after the effective date of the Registration Statement (as defined in the Registration Rights Agreement) and prior to the Holder’s receipt of the notice of a Grace Period (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended Ordinary Shares to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled.

(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, either (I) 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) or (II) if the Registration Statement covering the resale of the Ordinary Shares that are the subject of the Conversion Notice (the "**Unavailable Conversion Shares**") is not available for the resale of such Unavailable Conversion Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the Ordinary Shares electronically without any restrictive legend by crediting such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred to as a "**Notice Failure**" and together with the event described in clause (I) above, 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 either (A) 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 or (B) a Notice Failure occurs, 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 or Notice Failure, as applicable (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 20, 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 Section 3(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 25.

(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, including without limitation, the 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 shall be calculated in accordance with Section 13(d) of the 1934 Act and holdings shall be calculated in accordance with the Companies Law (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 (61st) 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 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 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) 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 12(b) below, at any time following the tenth (10th) consecutive day that the Holder's Authorized Share Allocation (as defined in Section 12(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 \$1,000,000 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 \$1,000,000 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 \$1,000,000 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 \$1,000,000 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 \$1,000,000, 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 15 of this Note;

(xvii) any Material Adverse Effect (as defined in the Securities Purchase Agreement) occurs;

(xviii) 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 (10th) 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 13. 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 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 17, 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 13 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 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 17 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 (10th) 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 17 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 17 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 1/100th of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(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. 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 8(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 8(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 8(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 8(a) shall be made in accordance with Section 13. In the event of the Company's redemption of any portion of this Note under this Section 8(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 8(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 8(a) above, then it must simultaneously take the same action with respect to all of the Other Notes.

9. 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 9 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 9 shall be made in accordance with the provisions of Section 13.

10. 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).

11. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles of Association (as defined in the Securities Purchase Agreement), Memorandum of Association (as defined in the Securities Purchase Agreement) 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.

12. 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, Alternate Conversions, 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 by each holder 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 12(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 12(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 12(a) or this Section 12(b) shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

13. 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. 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 20(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 20(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 13, 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.

14. 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.

15. 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 15(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.

16. 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 9, 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 16 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 16.

17. 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 17 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).

18. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d) and this Section 18, 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) disproportionately 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 18.

19. 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.

20. 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 20(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 20(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 20(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 20(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 20(a) or Section 20(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.

21. 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).

22. 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.

23. 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 Initial Closing Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

24. 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 24 shall permit any waiver of any provision of Section 3(d).

25. 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 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 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 25 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 (5th) 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 25 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 an 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 25 to any state or federal court sitting in Wilmington, Delaware in lieu of utilizing the procedures set forth in this Section 25 and (v) nothing in this Section 25 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 25).

26. 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 of each of the Buyers, shall initially be as set forth on the Schedule of Buyers attached to the Securities Purchase Agreement), 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**”).

27. 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.

28. 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.

29. 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 25 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 25. The Company (on behalf of itself and each of its Subsidiaries) hereby appoints the agent for service of process listed in Schedule 9(a) to the Securities Purchase Agreement, 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.

30. 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 30 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 30(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 30(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.

31. 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).

32. **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.

33. **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) “**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).

(d) “**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.

(e) “**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.

(f) “**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) 90% of the lowest VWAP of the Ordinary Shares during the five (5) 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.

(g) “**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) 95% of the lowest VWAP of the Ordinary Shares during the five (5) 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.

(h) “**Applicable Closing Date**” means the 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.

(i) “**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.

(j) “**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.

(k) “**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).

(l) “**Bloomberg**” means Bloomberg, L.P.

(m) “**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.

(n) **“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.

(o) **“Change of Control Redemption Premium”** means 115%.

(p) **“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 25. All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during such period.

(q) **“Conversion Floor Price Condition”** means that the relevant Alternate Conversion Price, is being determined based on clause (x) of such definition.

(r) **“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.

(s) **“Default Rate”** means, with respect to any determination of the aggregate amount of outstanding accrued and unpaid Interest hereunder, the sum of (x) the applicable Interest Rate in effect for such determination and (y) eight percent (8%) per annum.

(t) **“Eligible Market”** means The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, Nasdaq Global Select Market, or the Nasdaq Global Market.

(u) **“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.

(v) “**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) all Registrable Securities shall be eligible for sale pursuant to Rule 144 (as defined in the Securities Purchase Agreement) 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 Registrable 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 Registrable 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 the applicable Required Minimum Securities Amount of Ordinary Shares 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.

(w) “**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).

(x) “**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 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 exercise of the Warrants; provided, that the terms of the Warrants 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 (vi) the Ordinary Shares issued or issuable pursuant to any Permitted VRT solely in accordance with Section 9.

(y) “**Fiscal Quarter**” means each of the fiscal quarters that ends on March 31, June 30 or September 30.

(z) “**Fiscal Year**” means the fiscal year that ends on December 31.

(aa) “**Floor Price**” means \$1.00 (as adjusted for share splits, share dividends, share combinations, recapitalizations and similar events).

(bb) “**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 of 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.

(cc) “**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.

(dd) “**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.

(ee) “**Holder Pro Rata Amount**” means a fraction (i) the numerator of which is the original Principal amount of this Note on the Applicable Closing Date and (ii) the denominator of which is the aggregate original principal amount of all Notes issued to the initial purchasers pursuant to the Securities Purchase Agreement on the Applicable Closing Date.

(ff) “**IFRS**” means International Financial Reporting Standards, consistently applied.

(gg) “**Indebtedness**” shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(hh) “**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.

(ii) “**Interest Rate**” means, as of any date of determination, four (4%) per annum, subject to adjustment from time to time in accordance with Section 2.

(jj) “**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.

(kk) “**Maturity Date**” shall mean [], 2027¹; 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 (or, if a Going Public Transaction, at the time of the closing of such Going Public Transaction) after the consummation of a Fundamental 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.

¹ Insert 24 month anniversary of Issuance Date.

(ll) “**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.

(mm) “**Options**” means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(nn) “**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.

(oo) “**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.

(pp) “**Permitted Indebtedness**” means (i) Indebtedness evidenced by this Note and the Other 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.

(qq) “**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 \$1,000,000, (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 3(r)(iv) and 3(w) to the Securities Purchase Agreement.

(rr) “**Permitted Senior Indebtedness**” means (x) the secured Indebtedness set forth in Schedule 33(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.

(ss) “**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).

(tt) “**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.

(uu) “**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.

(vv) “**Principal Market**” means the Nasdaq Capital Market.

(ww) “**Redemption Notices**” means, collectively, the Event of Default Redemption Notices, 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**.”

(xx) “**Redemption Premium**” means 120%.

(yy) “**Redemption Prices**” means, collectively, Event of Default 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**.”

(zz) “**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.

(aaa) “**SEC**” means the United States Securities and Exchange Commission or the successor thereto.

(bbb) “**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.

(ccc) “**Significant Subsidiary**” shall have the meaning set forth in Rule 1-02 of Regulation S-X.

(ddd) “**Subject Entity**” means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(eee) “**Subscription Date**” means [____], 2025.

(fff) “**Subsidiaries**” shall have the meaning as set forth in the Securities Purchase Agreement.

(ggg) “**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.

(hhh) “**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.

(iii) “**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.

(jjj) “**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 25. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

(kkk) “**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.

34. **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 34 shall limit any obligations of the Company, or any rights of the Holder, under Section 4(i) of the Securities Purchase Agreement.

35. 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.

36. 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 36, 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 36), 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 36 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:

Convertible Note - Signature Page

EXHIBIT I

HUB CYBER SECURITY LTD
CONVERSION NOTICE

Reference is made to the 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:

☐ 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: _____

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:

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this “**Agreement**”), dated as of August 27, 2025, is by and among Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the “**Company**”), and the undersigned buyers (each, a “**Buyer**,” and collectively, the “**Buyers**”).

RECITALS

A. In connection with the Securities Purchase Agreement by and among the parties hereto, dated as of August 27, 2025 (the “**Securities Purchase Agreement**”), the Company has agreed, upon the terms and subject to the conditions of the Securities Purchase Agreement, to issue and sell to each Buyer (i) the Notes (as defined in the Securities Purchase Agreement) which will be convertible into Conversion Shares (as defined in the Securities Purchase Agreement) in accordance with the terms of the Notes and (ii) the Warrants (as defined in the Securities Purchase Agreement) which will be exercisable to purchase Warrant Shares (as defined in the Securities Purchase Agreement) in accordance with the terms of the Warrants.

B. To induce the Buyers to consummate the transactions contemplated by the Securities Purchase Agreement, the Company has agreed to provide to the Buyers certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the “**1933 Act**”), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Buyers hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) “**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 and Israel generally are open for use by customers on such day.

(c) “**Effective Date**” means the date that the applicable Registration Statement has been declared effective by the SEC.

(d) **“Effectiveness Deadline”** means (i) with respect to the initial Registration Statement required to be filed pursuant to Section 2(a), the earlier of the (A) 90th calendar day after the Initial Closing Date (or 120th calendar day, in the case of a full SEC review) and (B) 2nd Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration Statement will not be reviewed or will not be subject to further review and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the earlier of the (A) 90th calendar day (or 120th calendar day, in the case of a full SEC review) following the date on which the Company was required to file such additional Registration Statement and (B) 2nd Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration Statement will not be reviewed or will not be subject to further review.

(e) **“Filing Deadline”** means (i) with respect to the initial Registration Statement required to be filed pursuant to Section 2(a), the 45th calendar day after the Initial Closing Date and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement.

“Initial Closing Date” shall have the meaning set forth in the Securities Purchase Agreement.

(f) **“Investor”** means a Buyer or any transferee or assignee of any Registrable Securities, Notes or Warrants, as applicable, to whom a Buyer assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities, Notes or Warrants, as applicable, assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(g) **“Person”** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

(h) **“register,” “registered,” and “registration”** refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(i) **“Registrable Securities”** means (i) the Conversion Shares, (ii) the Warrant Shares, and (iii) any share capital of the Company issued or issuable with respect to the Conversion Shares, the Warrant Shares, the Notes or the Warrants, including, without limitation, (1) as a result of any share split, share dividend, recapitalization, exchange or similar event or otherwise and (2) any share capital of the Company into which the Ordinary Shares (as defined in the Notes) are converted or exchanged and share capital of a Successor Entity (as defined in the Notes) into which the Ordinary Shares are converted or exchanged, in each case, without regard to any limitations on conversion of the Notes or exercise of the Warrants.

(j) “**Registration Statement**” means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities.

(k) “**Required Holders**” means, as of any given time, the holders of a majority of the Registrable Securities as of such time (excluding any Registrable Securities held by the Company or any of its Subsidiaries as of such time).

(l) “**Required Registration Amount**” means the sum of (i) 200% of the maximum number of Conversion Shares issuable upon conversion of the Notes (assuming for purposes hereof that (w) all Additional Notes issuable hereunder shall have been issued at an Additional Closing on the Initial Closing Date, (x) the Notes are convertible at the Alternate Conversion Price (as defined in the Notes) then in effect, (y) interest on the Notes shall accrue through the second anniversary of the Initial Closing Date and will be converted into Ordinary Shares at a conversion price equal to the Alternate Conversion Price assuming an Alternate Conversion Date (as defined in the Notes) as of the applicable date of determination and (z) any such conversion shall not take into account any limitations on the conversion of the Notes set forth in the Notes), and (ii) the maximum number of Warrant Shares issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein), all subject to adjustment as provided in Section 2(d) and/or Section 2(f).

(m) “**Rule 144**” means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration.

(n) “**Rule 415**” means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for offering securities on a continuous or delayed basis.

(o) “**SEC**” means the United States Securities and Exchange Commission or any successor thereto.

2. Registration.

(a) Mandatory Registration. The Company shall prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form F-3 covering the resale of all of the Registrable Securities, provided that such initial Registration Statement shall register for resale at least the number of Ordinary Shares equal to the Required Registration Amount as of the date such Registration Statement is initially filed with the SEC; provided further that if Form F-3 is unavailable for such a registration, the Company shall use such other form as is required by Section 2(c). Such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the “Selling Shareholders” and “Plan of Distribution” sections in substantially the form attached hereto as **Exhibit B**. The Company shall use its reasonable best efforts to have such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, declared effective by the SEC as soon as practicable, but in no event later than the applicable Effectiveness Deadline for such Registration Statement.

(b) Legal Counsel. Subject to Section 5 hereof, Kelley Drye & Warren LLP, counsel solely to the lead investor (“**Legal Counsel**”) shall review and oversee any registration, solely on behalf of the lead investor, pursuant to this Section 2.

(c) Ineligibility to Use Form F-3. In the event that Form F-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on Form F-1 or another appropriate form reasonably acceptable to the Required Holders and (ii) undertake to register the resale of the Registrable Securities on Form F-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of all Registration Statements then in effect until such time as a Registration Statement on Form F-3 covering the resale of all the Registrable Securities has been declared effective by the SEC and the prospectus contained therein is available for use.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement or an Investor’s allocated portion of the Registrable Securities pursuant to Section 2(h), the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day (as defined in the Warrants) immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the necessity therefor arises (but taking account of any Staff (as defined below) position with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its reasonable best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC, but in no event later than the applicable Effectiveness Deadline for such Registration Statement. For purposes of the foregoing provision, the number of shares available under a Registration Statement shall be deemed “insufficient to cover all of the Registrable Securities” if at any time the number of Ordinary Shares available for resale under the applicable Registration Statement is less than the product determined by multiplying (i) the Required Registration Amount as of such time by (ii) 0.90. The calculation set forth in the foregoing sentence shall be made without regard to any limitations on conversion, amortization and/or redemption of the Notes or exercise of the Warrants (and such calculation shall assume (A) that the Notes are then convertible in full into Ordinary Shares at the then prevailing Conversion Rate (as defined in the Notes), (B) the initial outstanding principal amount of the Notes remains outstanding through the scheduled Maturity Date (as defined in the Notes) and no redemptions of the Notes occur prior to the scheduled Maturity Date) and (C) the Warrants are then exercisable in full into Ordinary Shares at the Exercise Price (as defined in the Warrants) in effect as of such applicable date of determination).

(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is (A) not filed with the SEC on or before the Filing Deadline for such Registration Statement (a “**Filing Failure**”) (it being understood that if the Company files a Registration Statement without affording each Investor and Legal Counsel the opportunity to review and comment on the same as required by Section 3(c) hereof, the Company shall be deemed to not have satisfied this clause (i)(A) and such event shall be deemed to be a Filing Failure) or (B) not declared effective by the SEC on or before the Effectiveness Deadline for such Registration Statement (an “**Effectiveness Failure**”) (it being understood that if on the Business Day immediately following the Effective Date for such Registration Statement the Company shall not have filed a “final” prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) (whether or not such a prospectus is technically required by such rule), the Company shall be deemed to not have satisfied this clause (i)(B) and such event shall be deemed to be an Effectiveness Failure), (ii) other than during an Allowable Grace Period (as defined below), on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement (disregarding any reduction pursuant to Section 2(f)) cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Ordinary Shares on the Principal Market (as defined in the Securities Purchase Agreement) or any other limitations imposed by the Principal Market, or a failure to register a sufficient number of Ordinary Shares or by reason of a stop order) or the prospectus contained therein is not available for use for any reason (a “**Maintenance Failure**”), or (iii) if a Registration Statement is not effective for any reason or the prospectus contained therein is not available for use for any reason, and either (x) the Company fails for any reason to satisfy the requirements of Rule 144(c)(1), including, without limitation, the failure to satisfy the current public information requirement under Rule 144(c) or (y) the Company has ever been an issuer described in Rule 144(i)(1)(i) or becomes such an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (a “**Current Public Information Failure**”) as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the underlying Ordinary Shares (which remedy shall not be exclusive of any other remedies available at law or in equity, including, without limitation, specific performance), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of such Investor’s original principal amount stated in such Investor’s Note(s) on the Initial Closing Date (1) on the date of such Filing Failure, Effectiveness Failure, Maintenance Failure or Current Public Information Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Effectiveness Failure until such Effectiveness Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, pro rated for periods totaling less than thirty (30) days), provided that such payments (excluding any Registration Late Charges (as defined below)) with respect to any given Note shall not exceed an aggregate of ten percent (10%) of such Investor’s original principal amount stated in such Investor’s Note(s) on the date of issuance thereof. The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as “**Registration Delay Payments**.” Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then such Registration Delay Payment shall be made on the third (3rd) Business Day after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full (the “**Registration Late Charges**”). Notwithstanding the foregoing, no Registration Delay Payments shall be owed to an Investor (other than with respect to a Maintenance Failure resulting from a suspension or delisting of (or a failure to timely list) the Ordinary Shares on the Principal Market) with respect to any period during which all of such Investor’s Registrable Securities may be sold by such Investor without restriction under Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable).

(f) Offering. Notwithstanding anything to the contrary contained in this Agreement, in the event the staff of the SEC (the “**Staff**”) or the SEC seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities by, or on behalf of, the Company, or in any other manner, such that the Staff or the SEC do not permit such Registration Statement to become effective and used for resales in a manner that does not constitute such an offering and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an “underwriter,” then the Company shall reduce the number of shares to be included in such Registration Statement by all Investors until such time as the Staff and the SEC shall so permit such Registration Statement to become effective as aforesaid. In making such reduction, the Company shall reduce the number of shares to be included by all Investors on a pro rata basis (based upon the number of Registrable Securities otherwise required to be included for each Investor) unless the inclusion of shares by a particular Investor or a particular set of Investors are resulting in the Staff or the SEC’s “by or on behalf of the Company” offering position, in which event the shares held by such Investor or set of Investors shall be the only shares subject to reduction (and if by a set of Investors on a pro rata basis by such Investors or on such other basis as would result in the exclusion of the least number of shares by all such Investors); provided, that, with respect to such pro rata portion allocated to any Investor, such Investor may elect the allocation of such pro rata portion among the Registrable Securities of such Investor. In addition, in the event that the Staff or the SEC requires any Investor seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an “underwriter” in order to permit such Registration Statement to become effective, and such Investor does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Investor, until such time as the Staff or the SEC does not require such identification or until such Investor accepts such identification and the manner thereof. Any reduction pursuant to this paragraph will first reduce all Registrable Securities other than those issued pursuant to the Securities Purchase Agreement. In the event of any reduction in Registrable Securities pursuant to this paragraph, an affected Investor shall have the right to require, upon delivery of a written request to the Company signed by such Investor, the Company to file a registration statement within twenty (20) days of such request (subject to any restrictions imposed by Rule 415 or required by the Staff or the SEC) for resale by such Investor in a manner acceptable to such Investor, and the Company shall following such request cause to be and keep effective such registration statement in the same manner as otherwise contemplated in this Agreement for registration statements hereunder, in each case until such time as: (i) all Registrable Securities held by such Investor have been registered and sold pursuant to an effective Registration Statement in a manner acceptable to such Investor or (ii) all Registrable Securities may be resold by such Investor without restriction (including, without limitation, volume limitations) pursuant to Rule 144 (taking account of any Staff position with respect to “affiliate” status) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (iii) such Investor agrees to be named as an underwriter in any such Registration Statement in a manner acceptable to such Investor as to all Registrable Securities held by such Investor and that have not theretofore been included in a Registration Statement under this Agreement (it being understood that the special demand right under this sentence may be exercised by an Investor multiple times and with respect to limited amounts of Registrable Securities in order to permit the resale thereof by such Investor as contemplated above).

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder or under the Securities Purchase Agreement, if there is not an effective Registration Statement covering all of the Registrable Securities or the prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement or offering statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form F-4 or Form F-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's share option or other employee benefit plans), then the Company shall deliver to each Investor a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement or offering statement all or any part of such Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement. The Company shall have the right to terminate or withdraw any registration initiated by it under this section before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. In connection with any offering involving an underwriting of shares of the Company's ordinary shares pursuant to this section, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of Registrable Securities requested by Holders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of Registrable Securities (if any) which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If such a case, the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities.

(h) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and any increase in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of Registrable Securities held by each Investor at the time such Registration Statement covering such initial number of Registrable Securities or increase thereof is declared effective by the SEC. In the event that an Investor sells or otherwise transfers any of such Investor's Registrable Securities, each transferee or assignee (as the case may be) that becomes an Investor shall be allocated a pro rata portion of the then-remaining number of Registrable Securities included in such Registration Statement for such transferor or assignee (as the case may be). Any Ordinary Shares included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement.

(i) No Inclusion of Other Securities. The Company shall in no event include any securities other than Registrable Securities on any Registration Statement filed in accordance herewith without the prior written consent of the Required Holders. Until the Applicable Date (as defined in the Securities Purchase Agreement), the Company shall not enter into any agreement providing any registration rights to any of its security holders, except in respect of investments permitted under the Securities Purchase Agreement.

3. Related Obligations.

The Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to all the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable after such filing (but in no event later than the Effectiveness Deadline). Subject to Allowable Grace Periods, the Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement (disregarding any reduction pursuant to Section 2(f)) without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the “**Registration Period**”). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within one (1) Business Day after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be promptly sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request. The Company shall respond in writing to comments made by the SEC in respect of a Registration Statement as soon as practicable, but in no event later than fifteen (15) Business Days after the receipt of comments by or notice from the SEC that an amendment is required in order for a Registration Statement to be declared effective.

(b) Subject to Section 3(r) of this Agreement, the Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (New York time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the 1933 Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement (whether or not such a prospectus is technically required by such rule). In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 6-K, Form 20-F or any analogous report under the Securities Exchange Act of 1934, as amended (the “1934 Act”), the Company shall, if permitted under the applicable rules and regulations of the SEC, have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel and legal counsel for each other Investor to review and comment upon (i) each Registration Statement at least two (2) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 20-F, Report of Foreign Issuer on Form 6-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel or any legal counsel for any other Investor reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld. The Company shall promptly furnish to Legal Counsel and legal counsel for each other Investor, without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Securities Purchase Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto; provided, however, the Company shall not be required to furnish any document (other than the Prospectus, which may be provided in .PDF format) to Legal Counsel to the extent such document is available on EDGAR. The Company shall reasonably cooperate with Legal Counsel and legal counsel for each other Investor in performing the Company’s obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, (i) after the same is prepared and filed with the SEC, at least one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time) and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor; provided, however, the Company shall not be required to furnish any document (other than the Prospectus, which may be provided in .PDF format) to Legal Counsel to the extent such document is available on EDGAR.

(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or “blue sky” laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be reasonably necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel, legal counsel for each other Investor and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or “blue sky” laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel, legal counsel for each other Investor and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, may include an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and deliver ten (10) copies of such supplement or amendment to Legal Counsel, legal counsel for each other Investor and each Investor (or such other number of copies as Legal Counsel, legal counsel for each other Investor or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel, legal counsel for each other Investor and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel, legal counsel for each other Investor and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto (it being understood and agreed that the Company's response to any such comments shall be delivered to the SEC no later than fifteen (15) Business Days after the receipt thereof).

(g) The Company shall (i) use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) notify Legal Counsel, legal counsel for each other Investor and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, at the request of any Investor, the Company shall furnish to such Investor, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, upon the written request of such Investor, the Company shall make available for inspection by (i) such Investor, (ii) legal counsel for such Investor and (iii) one (1) firm of accountants or other agents retained by such Investor (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, each Inspector shall agree in writing pursuant to a reasonably acceptable confidentiality agreement to hold in strict confidence and not to make any disclosure (except to such Investor) or use of any Record or other information which the Company's board of directors determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (1) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (2) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (3) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document (as defined in the Securities Purchase Agreement). Such Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and such Investor, if any) shall be deemed to limit any Investor's ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) Without limiting any obligation of the Company under the Securities Purchase Agreement, the Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on an Eligible Market (as defined in the Securities Purchase Agreement), or (iii) if, despite the Company's reasonable best efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("FINRA") as such with respect to such Registrable Securities. In addition, the Company shall cooperate with each Investor and any broker or dealer through which any such Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by such Investor. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates or book-entry shares (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates or book-entry shares to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall as soon as reasonably practicable after receipt of notice from such Investor and subject to Section 3(r) hereof, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as **Exhibit A**.

(r) Notwithstanding anything to the contrary herein (but subject to the last sentence of this Section 3(r)), at any time after the Effective Date of a particular Registration Statement, the Company may delay the disclosure of material, non-public information concerning the Company or any of its Subsidiaries the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, in the opinion of counsel to the Company, otherwise required (a "**Grace Period**"), provided that the Company shall promptly notify the Investors in writing of the (i) existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Investors) and the date on which such Grace Period will begin and (ii) date on which such Grace Period ends, provided further that (I) no Grace Period shall exceed ten (10) consecutive days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of thirty (30) days, (II) the first day of any Grace Period must be at least five (5) Trading Days (as defined in the Warrants) after the last day of any prior Grace Period and (III) no Grace Period may exist during the sixty (60) Trading Day period immediately following the Effective Date of such Registration Statement (provided that such sixty (60) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Investors receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investors receive the notice referred to in clause (ii) above and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of each Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary contained in this Section 3(r), the Company shall cause its transfer agent to deliver unlegended Ordinary Shares to a transferee of an Investor in accordance with the terms of the Securities Purchase Agreement in connection with any sale of Registrable Securities with respect to which such Investor has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, prior to such Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

(s) The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by each Investors of its Registrable Securities pursuant to each Registration Statement.

(t) Neither the Company nor any Subsidiary or affiliate thereof shall identify any Investor as an underwriter in any public disclosure or filing with the SEC, the Principal Market or any Eligible Market without such Investor's consent and any Investor being deemed an underwriter by the SEC shall not relieve the Company of any obligations it has under this Agreement or any other Transaction Document (as defined in the Securities Purchase Agreement); provided, however, that the foregoing shall not prohibit the Company from including the disclosure found in the "Plan of Distribution" section attached hereto as Exhibit B in the Registration Statement.

(u) Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Buyers in this Agreement or otherwise conflicts with the provisions hereof.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor's election to exclude all of such Investor's Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver unlegended Ordinary Shares to a transferee of an Investor in accordance with the terms of the Securities Purchase Agreement in connection with any sale of Registrable Securities with respect to which such Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.

5. Expenses of Registration

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company. The Company shall reimburse Legal Counsel for its fees and disbursements in connection with registration, filing or qualification pursuant to Sections 2 and 3 of this Agreement which amount shall be limited to \$10,000 for each such registration, filing or qualification.

6. Indemnification

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an **"Indemnified Person"**), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, **"Claims"**) incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an Indemnified Person is or may be a party thereto (**"Indemnified Damages"**), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered (**"Blue Sky Filing"**), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement or (iv) any violation of this Agreement (the matters in the foregoing clauses (i) through (iv) being, collectively, **"Violations"**). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company pursuant to Section 3(d); and (ii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an “**Indemnified Party**”), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement or any such amendment thereof or supplement thereto; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor will reimburse an Indemnified Party any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement, prospectus or prospectus supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party, provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be)). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), 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 Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) 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 indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 6 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 Damages are incurred; provided that any Person receiving any payment pursuant to this Section 6 shall promptly reimburse the Person making such payment for the amount of such payment to the extent a court of competent jurisdiction determines that such Person receiving such payment was not entitled to such payment.

(e) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, at any time as any Notes or Warrants remain outstanding or any Investor holds any Registrable Securities, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Securities Purchase Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144, the 1933 Act and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor's Registrable Securities, Notes or Warrants if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within two (2) Business Days after such transfer or assignment (as the case may be); (ii) the Company is, within two (2) Business Days after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein as if it were an original signatory hereto; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Securities Purchase Agreement, the Notes and the Warrants (as the case may be); and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Required Holders; provided that any such amendment or waiver that complies with the foregoing, but that disproportionately, materially and adversely affects the rights and obligations of any Investor relative to the comparable rights and obligations of the other Investors shall require the prior written consent of such adversely affected Investor. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon each Investor and the Company, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of Registrable Securities or (2) imposes any obligation or liability on any Investor without such Investor's prior written consent (which may be granted or withheld in such Investor's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) 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 electronic mail (provided that such sent email is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to such recipient); or (iii) three (3) Business Days after deposit with a nationally recognized international delivery service with express delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and email addresses for such communications shall be:

If to the Company:

Hub Cyber Security Ltd
2 Kaplan St.
Tel Aviv 6473403, Israel
Attention: Tuvia Grossman, General Counsel and Chief Legal
Officer
Email: [**]

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Daniel P. Kahn
Email: [**]; [**]

and

Honigman LLP
660 Woodward Ave # 2290
Detroit, MI 48226
Attention: Michael Rosenberg
Email: [**]

If to the Transfer Agent:

Equiniti Trust Company, LLC
48 Wall Street, Floor 23
New York, NY 10005
Attention: Philip Velez
E-Mail: [**]

If to Legal Counsel:

Kelley Drye & Warren LLP
3 World Trade Center
175 Greenwich Street
New York, NY 10007
Telephone: (212) 808-7540
Facsimile: (212) 808-7897
Attention: Michael A. Adelstein, Esq.
E-mail: [**]

If to a Buyer, to its address, facsimile number and/or email address set forth on the Schedule of Buyers attached to the Securities Purchase Agreement, with copies to such Buyer's representatives as set forth on the Schedule of Buyers, or to such other address, facsimile number, and/or email address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change, provided that Kelley Drye & Warren LLP shall only be provided notices sent to the lead investor. 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 or email containing the time, date, recipient facsimile number or email address and an image of the first page of such transmission or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law 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. 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. The Company hereby appoints [Northwest Registered Agent LLC], as its agent for service of process in Delaware. 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. 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 IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. 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 the 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 Transaction Documents.

(e) If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties 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).

(f) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Investor and all such agreements shall continue in full force and effect or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(g) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. 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.

(i) This Agreement may be executed in two or more identical counterparts, each of which shall be deemed an original, but 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. In the event that any signature is delivered by facsimile transmission or by an email which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) 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 any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) 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. Notwithstanding anything to the contrary set forth in Section 10, terms used in this Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Initial Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(l) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders, determined as if all of the outstanding Notes then held by the Investors have been converted for Registrable Securities without regard to any limitations on redemption, amortization and/or conversion of the Notes and all of the outstanding Warrants then held by Investors have been exercised for Registrable Securities without regard to any limitations on exercise of the Warrants.

(m) 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.

(n) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as, and the Company acknowledges that the Investors do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Investors are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other the Transaction Documents. Each Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[signature page follows]

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.

COMPANY:
HUB CYBER SECURITY LTD

By: _____
Name:
Title:

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.

[LEAD BUYER]

By: _____
Name:
Title:

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.

[OTHER BUYERS]

By: _____
Name:
Title:

FORM OF NOTICE OF EFFECTIVENESS
OF REGISTRATION STATEMENT

Attention: _____

Re: Hub Cyber Security Ltd

Ladies and Gentlemen:

[We are][I am] counsel to Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the “**Company**”), and have represented the Company in connection with that certain Securities Purchase Agreement (the “**Securities Purchase Agreement**”) entered into by and among the Company and the buyers named therein (collectively, the “**Holders**”) pursuant to which the Company issued to the Holders subordinated convertible notes (the “**Notes**”) convertible into the Company’s ordinary shares, no par value per share (the “**Ordinary Shares**”), and warrants exercisable for Ordinary Shares (the “**Warrants**”). Pursuant to the Securities Purchase Agreement, the Company also has entered into a Registration Rights Agreement with the Holders (the “**Registration Rights Agreement**”) pursuant to which the Company agreed, among other things, to register the Registrable Securities (as defined in the Registration Rights Agreement), including the Ordinary Shares issuable upon conversion of the Notes and exercise of the Warrants, under the Securities Act of 1933, as amended (the “**1933 Act**”). In connection with the Company’s obligations under the Registration Rights Agreement, on _____, 20__, the Company filed a Registration Statement on Form [F-1][F-3] (File No. 333-_____) (the “**Registration Statement**”) with the Securities and Exchange Commission (the “**SEC**”) relating to the Registrable Securities which names each of the Holders as a selling shareholder thereunder.

In connection with the foregoing, [we][I] advise you that [a member of the SEC’s staff has advised [us][me] by telephone that [the SEC has entered an order declaring the Registration Statement effective under the 1933 Act at [ENTER TIME OF EFFECTIVENESS] on [ENTER DATE OF EFFECTIVENESS]] [an order declaring the Registration Statement effective under the 1933 Act at [ENTER TIME OF EFFECTIVENESS] on [ENTER DATE OF EFFECTIVENESS]] has been posted on the web site of the SEC at www.sec.gov] and [we][I] have no knowledge, after a review of information posted on the website of the SEC at <http://www.sec.gov/litigation/stoporders.shtml>, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC and the Registrable Securities are available for resale under the 1933 Act pursuant to the Registration Statement.

This letter shall serve as our standing opinion to you that the Ordinary Shares underlying the Notes and the Warrants are freely transferable by the Holders pursuant to the Registration Statement. You need not require further letters from us to effect any future legend-free issuance or reissuance of such Ordinary Shares to the Holders as contemplated by the Company’s Irrevocable Transfer Agent Instructions dated _____, 20__.

Very truly yours,

[ISSUER’S COUNSEL]

By: _____

CC: [BUYER]
[OTHER BUYERS]

SELLING SHAREHOLDERS

The ordinary shares being offered by the selling shareholders are those issuable to the selling shareholders upon conversion of the notes and exercise of the warrants. For additional information regarding the issuance of the notes and the warrants, see “Private Placement of Notes and Warrants” above. We are registering the ordinary shares in order to permit the selling shareholders to offer the shares for resale from time to time. Except for the ownership of the notes and the warrants issued pursuant to the Securities Purchase Agreement, the selling shareholders have not had any material relationship with us within the past three years.

The table below lists the selling shareholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the ordinary shares held by each of the selling shareholders. The second column lists the number of ordinary shares beneficially owned by the selling shareholders, based on their respective ownership of ordinary shares, notes and warrants, as of _____, 20__, assuming conversion of the notes and exercise of the warrants held by each such selling shareholder on that date but taking account of any limitations on conversion set forth therein.

The third column lists the ordinary shares being offered by this prospectus by the selling shareholders and does not take in account any limitations on (i) conversion of the notes set forth therein or (ii) exercise of the warrants set forth therein.

In accordance with the terms of a registration rights agreement with the holders of the notes and the warrants, this prospectus generally covers the resale of the sum of (i) 200% of the maximum number of ordinary shares issued or issuable pursuant to the Notes, including payment of interest on the notes through [DATE], determined as if the outstanding notes (including interest on the notes through [DATE]) were converted in full and (ii) the maximum number of ordinary shares issued or issuable upon exercise of the warrants, in each case, determined as if the outstanding notes and warrants were converted or exercised (as the case may be) in full (without regard to any limitations on conversion or exercise contained therein solely for the purpose of such calculation) at an alternate conversion price or exercise price (as the case may be) calculated as of the trading day immediately preceding the date this registration statement was initially filed with the SEC. Because the conversion price of the notes and the exercise price of the warrants may be adjusted, the number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling shareholders pursuant to this prospectus.

Under the terms of the notes and the warrants, a selling shareholder may not convert the notes or exercise the warrants to the extent (but only to the extent) such selling shareholder or any of its affiliates would beneficially own a number of shares of our ordinary shares which would exceed 4.99% of the outstanding shares of the Company. The number of shares in the second column reflects these limitations. The selling shareholders may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

Name of Selling Shareholder	Number of Ordinary Shares Owned Prior to Offering	Maximum Number of Ordinary Shares to be Sold Pursuant to this Prospectus	Number of Ordinary Shares of Owned After Offering
[] (1)			
[OTHER BUYERS]			

(1) []

PLAN OF DISTRIBUTION

We are registering the ordinary shares issuable upon conversion of the notes and exercise of the warrants to permit the resale of these ordinary shares by the holders of the notes and the warrants from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling shareholders of the ordinary shares, although we will receive the exercise price of any warrants not exercised by the selling shareholders on a cashless exercise basis. We will bear all fees and expenses incident to our obligation to register the ordinary shares.

The selling shareholders may sell all or a portion of the ordinary shares held by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the ordinary shares are sold through underwriters or broker-dealers, the selling shareholders will be responsible for underwriting discounts or commissions or agent's commissions. The ordinary shares may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
 - in the over-the-counter market;
 - in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
 - through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
 - ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
 - block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
 - purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
 - an exchange distribution in accordance with the rules of the applicable exchange;
 - privately negotiated transactions;
 - short sales made after the date the Registration Statement is declared effective by the SEC;
 - broker-dealers may agree with a selling security holder to sell a specified number of such shares at a stipulated price per share;
 - a combination of any such methods of sale; and
 - any other method permitted pursuant to applicable law.
-

The selling shareholders may also sell ordinary shares under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling shareholders may transfer the ordinary shares by other means not described in this prospectus. If the selling shareholders effect such transactions by selling ordinary shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling shareholders or commissions from purchasers of the ordinary shares for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the ordinary shares or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the ordinary shares in the course of hedging in positions they assume. The selling shareholders may also sell ordinary shares short and deliver ordinary shares covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling shareholders may also loan or pledge ordinary shares to broker-dealers that in turn may sell such shares.

The selling shareholders may pledge or grant a security interest in some or all of the notes, the warrants, or ordinary shares owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the ordinary shares from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. The selling shareholders also may transfer and donate the ordinary shares in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling shareholders and any broker-dealer participating in the distribution of the ordinary shares may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the ordinary shares is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of ordinary shares being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling shareholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the ordinary shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the ordinary shares may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling shareholder will sell any or all of the ordinary shares registered pursuant to the registration statement, of which this prospectus forms a part.

The selling shareholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the ordinary shares by the selling shareholders and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the ordinary shares to engage in market-making activities with respect to the ordinary shares. All of the foregoing may affect the marketability of the ordinary shares and the ability of any person or entity to engage in market-making activities with respect to the ordinary shares.

We will pay all expenses of the registration of the ordinary shares pursuant to the registration rights agreement, estimated to be \$[] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; provided, however, a selling shareholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling shareholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling shareholders will be entitled to contribution. We may be indemnified by the selling shareholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling shareholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the ordinary shares will be freely tradable in the hands of persons other than our affiliates.

[FORM OF WARRANT]

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), 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. THE NUMBER OF ORDINARY SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 1(a) OF THIS WARRANT.

HUB CYBER SECURITY LTD

WARRANT TO PURCHASE ORDINARY SHARES

Warrant No.:

Date of Issuance: [], 20__ (“**Issuance Date**”)

Hub Cyber Security Ltd, a company incorporated under the laws of the State of Israel (the “**Company**”), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [BUYER], the registered holder hereof or its permitted assigns (the “**Holder**”), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the “**Warrant**”), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), _____¹ (subject to adjustment as provided herein) fully paid and non-assessable Ordinary Shares (as defined below) (the “**Warrant Shares**”, and such number of Warrant Shares, the “**Warrant Number**”). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 19. This Warrant is one of the Warrants to Purchase Ordinary Shares (the “**SPA Warrants**”) issued pursuant to Section 1 of that certain Securities Purchase Agreement, dated as of August [], 2025 (the “**Subscription Date**”), by and among the Company and the investors (the “**Buyers**”) referred to therein, as amended from time to time (the “**Securities Purchase Agreement**”).

50% Warrant coverage

1. EXERCISE OF WARRANT

(a) **Mechanics of Exercise.** Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(f)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date (an “**Exercise Date**”), in whole or in part, by delivery (whether via email or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the “**Exercise Notice**”), of the Holder’s election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (the “**Aggregate Exercise Price**”) in cash or via wire transfer of immediately available funds if the Holder did not notify the Company in such Exercise Notice that such exercise was made pursuant to a Cashless Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant after delivery of the Warrant Shares in accordance with the terms hereof. On the date on which the Company has received (or the first Business Day thereafter if such day is not a Business Day) an Exercise Notice, the Company shall transmit by electronic mail an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company’s transfer agent (the “**Transfer Agent**”), which confirmation shall constitute an instruction to the Transfer Agent to process such Exercise Notice in accordance with the terms herein. On or before the first (1st) Trading Day following the date on which the Company has received such Exercise 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 of such Warrant Shares initiated on the applicable Exercise Date), the Company shall (X) provided that the Transfer Agent is participating in The Depository Trust Company (“**DTC**”) Fast Automated Securities Transfer Program (“**FAST**”), upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its Deposit/Withdrawal at Custodian system, or (Y) 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 Exercise Notice, a certificate or book-entry position, 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 exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder’s DTC account or the date of delivery of the certificates or book-entry positions, as applicable, evidencing such Warrant Shares (as the case may be); provided, that the Holder shall be deemed to have waived any voting rights of any such Warrant Shares during the period commencing on such Exercise Date, through, and including, such applicable Share Delivery Date (as defined below) (each, an “**Exercise Period**”), as necessary, such that the aggregate voting rights of any Ordinary Shares (including such Warrant Shares) beneficially owned or held by the Holder and/or any Attribution Parties, collectively, on any such date of determination shall not exceed the Maximum Percentage (as defined below) as a result of any such exercise of this Warrant. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise and upon surrender of this Warrant to the Company by the Holder, then, at the request of the Holder, the Company shall as soon as practicable and in no event later than two (2) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent) that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant. Notwithstanding the foregoing, except in the case where an exercise of this Warrant is validly made pursuant to a Cashless Exercise, the Company’s failure to deliver Warrant Shares to the Holder on or prior to the later of (i) one (1) Trading Day after receipt of the applicable Exercise 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 of such Warrant Shares initiated on the applicable Exercise Date) and (ii) the date of the Company’s receipt of the Aggregate Exercise Price (or valid notice of a Cashless Exercise) (such later date, the “**Share Delivery Date**”) shall not be deemed to be a breach of this Warrant. Notwithstanding anything to the contrary contained in this Warrant or the Registration Rights Agreement, after the effective date of the Registration Statement (as defined in the Registration Rights Agreement) and prior to the Holder’s receipt of the notice of a Grace Period (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended Ordinary Shares to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled. From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in FAST.

(b) **Exercise Price.** For purposes of this Warrant, “**Exercise Price**” means \$3.60, subject to adjustment as provided herein.

(c) **Company’s Failure to Timely Deliver Securities.** If the Company shall fail, for any reason or for no reason, on or prior to the Share Delivery Date, either (I) if the Transfer Agent is not participating in FAST, to issue and deliver to the Holder (or its designee) a certificate for, or book-entry position representing, the number of Warrant Shares to which the Holder is entitled and register such Warrant 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 Warrant Shares to which the Holder is entitled upon the Holder’s exercise of this Warrant (as the case may be) or (II) if a Registration Statement covering the resale of the Warrant Shares that are the subject of the Exercise Notice (the “**Unavailable Warrant Shares**”) is not available for the resale of such Unavailable Warrant Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the Warrant Shares electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred to as a “**Notice Failure**” and together with the event described in clause (I) above, a “**Delivery Failure**”), then, in addition to all other remedies available to the Holder, (X) the Company shall pay in cash to the Holder on each day after the Share Delivery Date and during such Delivery Failure an amount equal to 2% 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 Date 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 Exercise Date and ending on the applicable Share Delivery Date, and (Y) the Holder, upon written notice to the Company, may void its Exercise Notice with respect to, and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the voiding of an Exercise 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 1(c) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Date either (I) 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 exercise hereunder or pursuant to the Company’s obligation pursuant to clause (ii) below or (II) a Notice Failure occurs, and if on or after such Share Delivery Date 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 exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Delivery Failure or Notice Failure, as applicable (a “**Buy-In**”), then, in addition to all other remedies available to the Holder, the Company shall, within one (1) Trading Day after 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 Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Warrant Shares or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise 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 (A) such number of Warrant Shares multiplied by (B) the lowest Closing Sale Price of the Ordinary Shares on any Trading Day during the period commencing on the date of the applicable Exercise 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 exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, (i) if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise, and (ii) if a registration statement covering the issuance or resale of the Warrant Shares that are subject to an Exercise Notice is not available for the issuance or resale, as applicable, of such Warrant Shares and the Holder has submitted an Exercise Notice prior to receiving notice of the non-availability of such registration statement and the Company has not already delivered the Warrant Shares underlying such Exercise Notice electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its Deposit / Withdrawal At Custodian system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Exercise Notice in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an Exercise Notice shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise, and/or (y) switch some or all of such Exercise Notice from a cash exercise to a Cashless Exercise.

(d) Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 1(f) below), commencing six months after the Issuance Date, if at the time of exercise hereof a Registration Statement (as defined in the Registration Rights Agreement) is not effective (or the prospectus contained therein is not available for use) for the resale by the Holder of all of the Warrant Shares, then the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Warrant Shares determined according to the following formula (a "**Cashless Exercise**");

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = as elected by the Holder: (i) the VWAP of the Ordinary Shares on the Trading Day immediately preceding the date of the applicable Exercise Notice if such Exercise Notice is (1) both executed and delivered pursuant to Section 1(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 1(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(88) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Exercise Notice or (z) the Bid Price of the Ordinary Shares as of the time of the Holder's execution of the applicable Exercise Notice if such Exercise Notice is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter pursuant to Section 1(a) hereof, or (iii) the Closing Sale Price of the Ordinary Shares on the date of the applicable Exercise Notice if the date of such Exercise Notice is a Trading Day and such Exercise Notice is both executed and delivered pursuant to Section 1(a) hereof after the close of "regular trading hours" on such Trading Day.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

If the Warrant Shares are issued in a Cashless Exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the 1933 Act, the Warrant Shares take on the registered characteristics of the Warrants being exercised. For purposes of Rule 144(d) promulgated under the 1933 Act, as in effect on the Subscription Date, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Securities Purchase Agreement.

(e) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 15.

(f) **Limitations on Exercises.** The Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, 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 exercise. 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 exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned or held by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants, including other SPA Warrants) beneficially owned or held by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 1(f). For purposes of this Section 1(f), beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act and holdings shall be calculated in accordance with the Companies Law (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 exercise of this Warrant 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 an Exercise 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 (i) notify the Holder in writing of the number of Ordinary Shares then outstanding and, to the extent that such Exercise Notice would otherwise cause the Holder’s beneficial ownership or holdings, as applicable, as determined pursuant to this Section 1(f), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Shares to be acquired pursuant to such Exercise Notice (the number of shares by which such purchase is reduced, the “**Reduction Shares**”) and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. 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 or exercise of securities of the Company, including this Warrant, 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 exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding Ordinary Shares (as determined in accordance with this Section 1(f)), 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). As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for 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 (61st) 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 SPA Warrants that is not an Attribution Party of the Holder. For purposes of clarity, the Ordinary Shares issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned or held 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 exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(f) 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 1(f) 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 waived, modified or amended and shall apply to a successor holder of this Warrant.

(g) Reservation of Shares.

(i) Required Reserve Amount. So long as this Warrant remains outstanding, the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares at least equal to 100% of the maximum number of Ordinary Shares as shall be necessary to satisfy the Company's obligation to issue Ordinary Shares under the SPA Warrants then outstanding (without regard to any limitations on exercise) (the "**Required Reserve Amount**"); provided that at no time shall the number of Ordinary Shares reserved pursuant to this Section 1(g)(i) be reduced other than proportionally in connection with any exercise or redemption of SPA Warrants or such other event covered by Section 2(a) below. 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 SPA Warrants based on number of Ordinary Shares issuable upon exercise of SPA Warrants held by each holder on the Applicable Closing Date (without regard to any limitations on exercise) 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 SPA Warrants, 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 SPA Warrants shall be allocated to the remaining holders of SPA Warrants, pro rata based on the number of Ordinary Shares issuable upon exercise of the SPA Warrants then held by such holders (without regard to any limitations on exercise).

(ii) Insufficient Authorized Shares. If, notwithstanding Section 1(g)(i) above, and not in limitation thereof, at any time while any of the SPA Warrants remain outstanding, the Company does not have a sufficient number of authorized and unreserved Ordinary Shares to satisfy its obligation to reserve 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 all the SPA Warrants 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. Notwithstanding the foregoing, if any such time of an Authorized Share Failure, the Company is able to obtain the written consent of a majority of the shares of its issued and outstanding Ordinary Shares to approve the increase in the number of authorized Ordinary Shares, the Company may satisfy this obligation by obtaining such consent and submitting for filing with the SEC an Information Statement on Schedule 14C. In the event that the Company is prohibited from issuing Ordinary Shares upon an exercise of this Warrant 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 Holder, the Company shall pay cash in exchange for the cancellation of such portion of this Warrant exercisable 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 Holder delivers the applicable Exercise Notice with respect to such Authorization Failure Shares to the Company and ending on the date of such issuance and payment under this Section 1(g); 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 Authorization Failure Shares, any Buy-In Payment Amount, brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in this Section 1(g) shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Share Dividends and Splits. Without limiting any provision of Section 2(b), Section 3 or Section 4, if the Company, at any time on or after the Subscription Date, (i) pays a share dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of shares that is payable in Ordinary Shares, (ii) subdivides (by any share split, share dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse share split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Adjustment 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 2 is deemed to have granted, issued or sold, any Ordinary Shares (including the 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 Exercise Price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (such Exercise Price then in effect is referred to herein as the “**Applicable Price**”) (the foregoing a “**Dilutive Issuance**”), then immediately after such Dilutive Issuance, the Exercise 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 Exercise Price and the New Issuance Price under this Section 2(b)), 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 (or the time of execution of such agreement to grant, issue or sell, as applicable) of such Option for such price per share. For purposes of this Section 2(b)(i), the “lowest price per share for which one Ordinary Share is at any time issuable 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” 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 (or pursuant to the agreement to grant, issue or sell, as applicable) 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) upon the granting, issuance or sale (or the agreement to grant, issue or sell, as applicable) 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 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 Exercise Price shall be made upon the actual issuance of such Ordinary Shares or of such Convertible Securities upon the exercise of such Options or otherwise pursuant to the terms of 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 2(b)(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) 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 by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise 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 this Warrant has been or is to be made pursuant to other provisions of this Section 2(b), except as contemplated below, no further adjustment of the Exercise 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 2(a)), the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise 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 2(b)(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 2(b) shall be made if such adjustment would result in an increase of the Exercise 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 2(b)(i) or 2(b)(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 2(b)(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 Share, 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 Share, Option or Convertible Security, 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 Share, Option or Convertible Security, 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 (10th) 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).

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to Section 2(a), the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(d) Holder's Right of Alternative Exercise Price Following Issuance of Certain Options or Convertible Securities. In addition to and not in limitation of the other provisions of this Section 2, 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 email to the Holder on the date of such agreement and the issuance of such 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 Exercise Price upon exercise of this Warrant by designating in the Exercise Notice delivered upon any exercise of this Warrant that solely for purposes of such exercise the Holder is relying on the Variable Price rather than the Exercise Price then in effect. The Holder's election to rely on a Variable Price for a particular exercise of this Warrant shall not obligate the Holder to rely on a Variable Price for any future exercises of this Warrant.

(e) Share Combination Event Adjustment. If at any time and from time to time on or after the Issuance Date there occurs any share split, share dividend, share combination recapitalization or other similar transaction involving the Ordinary Shares (each, a "**Share Combination Event**", and such date thereof, the "**Share Combination Event Date**") and the Event Market Price is less than the Exercise Price then in effect (after giving effect to the adjustment in clause 2(a) above), then on the sixteenth (16th) Trading Day immediately following such Share Combination Event, the Exercise Price then in effect on such sixteenth (16th) Trading Day (after giving effect to the adjustment in clause 2(a) above) shall be reduced (but in no event increased) to the Event Market Price. For the avoidance of doubt, if the adjustment in the immediately preceding sentence would otherwise result in an increase in the Exercise Price hereunder, no adjustment shall be made.

(f) Other Events. In the event that the Company (or any Subsidiary (as defined in the Securities Purchase Agreement)) 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 2 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 Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 2(f) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 2, 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.

(g) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest cent or the nearest 1/100th of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issuance or sale of Ordinary Shares.

(h) 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 Warrant, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

(i) Adjustments. If on any of (i) the thirtieth (30th) calendar day after the Applicable Date (as defined in the Securities Purchase Agreement), (ii) the sixtieth (60th) calendar day after the Applicable Date, and (iii) the ninetieth (90th) calendar day after the Applicable Date, as applicable, (each, a "**Adjustment Date**"), the Exercise Price then in effect is greater than the Market Price then in effect (each, an "**Adjustment Price**"), on such Adjustment Date the Exercise Price shall automatically lower to such applicable Adjustment Price.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above or Section 4(a) below, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, shares or other securities, property, options, evidence of indebtedness or any other assets by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (taking into account the limitation on the exercise of this Warrant under Section 1(f)) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution. 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 3 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 exercise of this Warrant (without taking into account the limitation on the convertibility of this Warrant under Section 1(f) above).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Sections 2 or 3 above, 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 the record holders of any class of Ordinary Shares (the “**Purchase Rights**”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (taking into account the limitation in Section 1(f) on the exercisability of this Warrant) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issuance 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 4(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 1(f) above).

(b) Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents (as defined in the Securities Purchase Agreement) in accordance with the provisions of this Section 4(b) 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 the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, Section 1(f), which is exercisable for a corresponding amount of shares equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares, such adjustments to the amount of shares and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction) and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose share capital is quoted on or listed for trading on an Eligible Market. Upon the consummation of each Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of the applicable Fundamental Transaction, the provisions of this Warrant 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 Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of each Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of publicly traded share capital (or its equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant), as adjusted in accordance with the provisions of this Warrant. Notwithstanding the foregoing, and without limiting Section 1(f) hereof, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 4(b) to permit the Fundamental Transaction without the assumption of this Warrant. In addition to and not in substitution for any other rights hereunder, prior to the consummation of each 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 insure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction but prior to the Expiration Date, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant). Provision made pursuant to the preceding sentence shall be in a form and substance reasonably satisfactory to the Holder.

(c) Black Scholes Value.

(i) Fundamental Transaction Redemption. Notwithstanding the foregoing and the provisions of Section 4(b) above, at the request of the Holder delivered at any time commencing on the earliest to occur of (x) the public disclosure of any Fundamental Transaction, (y) the consummation of any Fundamental Transaction and (z) the Holder first becoming aware of any Fundamental Transaction through the date that is ninety (90) days after the public disclosure of the consummation of such Fundamental Transaction by the Company pursuant to a Report of Foreign Issuer on Form 6-K filed with the SEC, subject to applicable law, the Company or the Successor Entity (as the case may be) shall purchase this Warrant from the Holder on the date of such request by paying to the Holder cash in an amount equal to the Black Scholes Value. Payment of such amounts shall be made by the Company (or at the Company's direction) to the Holder on or prior to the later of (x) the second (2nd) Trading Day after the date of such request and (y) the date of consummation of such Fundamental Transaction.

(ii) Event of Default Redemption. Notwithstanding the foregoing and the provisions of Section 4(b) above, at the request of the Holder delivered at any time after the occurrence of an Event of Default (as defined in the Notes)(assuming for such purpose that the Notes remain outstanding), subject to applicable law, the Company or the Successor Entity (as the case may be) shall purchase this Warrant from the Holder on the date of such request by paying to the Holder cash in an amount equal to the Event of Default Black Scholes Value.

(d) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied as if this Warrant (and any such subsequent warrants) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be subject to the Maximum Percentage with respect to share capital registered under the 1934 Act (or the corresponding law applicable to public companies in the jurisdiction of such Successor Entity, if applicable) and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles of Association (as defined in the Securities Purchase Agreement), Memorandum of Association (as defined in the Securities Purchase Agreement) or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (a) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise 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 non-assessable Ordinary Shares upon the exercise of this Warrant. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to exercise this Warrant in full for any reason (other than pursuant to restrictions set forth in Section 1(f) 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 exercise into Ordinary Shares.

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of shares of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of shares, reclassification of shares, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. **NOTICES.** Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant (other than the issuance of Ordinary Shares upon exercise in accordance with the terms hereof), including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s), (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase 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, (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction and (iv) within one (1) Business Day of the occurrence of an Event of Default, setting forth in reasonable detail any material events with respect to such Event of Default and any efforts by the Company to cure such Event of Default. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of its Subsidiaries, the Company shall simultaneously file such notice with the SEC (as defined in the Securities Purchase Agreement) pursuant to a Report of Foreign Issuer on Form 6-K. If the Company or any of its Subsidiaries provides material non-public information to the Holder that is not simultaneously filed in a Report of Foreign Issuer on Form 6-K and the Holder has not agreed to receive such material non-public information, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents with respect to, or a duty to any of the foregoing not to trade on the basis of, such material non-public information. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. **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 Warrant, 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 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 9 shall limit any obligations of the Company, or any rights of the Holder, under Section 4(i) of the Securities Purchase Agreement.

10. 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.

11. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(f) above and this Section 11, which may not be amended, modified or waived) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

12. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

13. **GOVERNING LAW.** This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of 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. The Company 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 the Company at the address set forth in Section 9(f) of the Securities Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The Company 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 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. The Company (on behalf of itself and each of its Subsidiaries) hereby appoints the agent for service of process listed in Schedule 9(a) to the Securities Purchase Agreement, 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 WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.** The choice of the laws of the State of Delaware as the governing law of this Warrant 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 Warrant and the other Transaction Documents.

14. **CONSTRUCTION; HEADINGS.** This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

15. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to the Exercise Price, the Closing Sale Price, the Bid Price, Black Scholes Consideration Value, Event of Default Black Scholes Value, Black Scholes Value or fair market value or the arithmetic calculation of the number of Warrant Shares (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 email (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 Exercise Price, such Closing Sale Price, such Bid Price, such Black Scholes Consideration Value, Event of Default Black Scholes Value, Black Scholes Value or such fair market value or such arithmetic calculation of the number of Warrant Shares (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 15 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 (5th) 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 15 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under the rules then in effect under the Delaware Uniform Arbitration Act, as amended, (ii) a dispute relating to the Exercise Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of Ordinary Shares occurred under Section 2(b), (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 Warrant 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 (including, without limitation, determining (A) whether an issuance or sale or deemed issuance or sale of Ordinary Shares occurred under Section 2(b), (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) and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Warrant 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 15 to any state or federal court sitting in Wilmington, Delaware in lieu of utilizing the procedures set forth in this Section 15 and (v) nothing in this Section 15 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 15).

16. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to 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 Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

17. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Warrant 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 Warrant or to enforce the provisions of this Warrant or (b) there occurs any bankruptcy, reorganization, receivership of the company or other proceedings affecting company creditors' rights and involving a claim under this Warrant, 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.

18. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company, except as may otherwise be required by Section [2(g)] of the Securities Purchase Agreement.

19. CERTAIN DEFINITIONS. For purposes of this Warrant, 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) "**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 2) of Ordinary Shares (other than rights of the type described in Section 3 and 4 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).

(d) "**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 stock (or, if applicable, 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.

(e) "**Applicable Closing Date**" means the Closing Date that the Company initially issued this Warrant pursuant to the terms of the Securities Purchase Agreement.

(f) "**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 date hereof pursuant to which Ordinary Shares and standard options to purchase Ordinary Shares may be issued to any employee, officer or director for services provided to the Company in their capacity as such.

(g) “**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. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(h) “**Bid Price**” means, for any security as of the particular time of determination, the bid price for such security on the Principal Market as reported by Bloomberg as of such time of determination, or, if the Principal Market is not the principal securities exchange or trading market for such security, the bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg as of such time of determination, or if the foregoing does not apply, the bid price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg as of such time of determination, or, if no bid price is reported for such security by Bloomberg as of such time of determination, the average of the bid prices 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) as of such time of determination. If the Bid Price cannot be calculated for a security as of the particular time of determination on any of the foregoing bases, the Bid Price of such security as of such time of determination 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 15. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during such period.

(i) “**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 or Convertible Security (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 30 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).

(j) **“Black Scholes Value”** means the value of the unexercised portion of this Warrant remaining on the date of the Holder’s request pursuant to Section 4(c)(i), which value is 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 greater of (1) the highest Closing Sale Price of the Ordinary Shares during the period beginning on the Trading Day immediately preceding the announcement of the applicable Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder’s request pursuant to Section 4(c)(i) and (2) the sum of the price per share being offered in cash in the applicable Fundamental Transaction (if any) plus the value of the non-cash consideration being offered in the applicable Fundamental Transaction (if any), (ii) a strike price equal to the Exercise Price in effect on the date of the Holder’s request pursuant to Section 4(c)(i), (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of (1) the remaining term of this Warrant as of the date of the Holder’s request pursuant to Section 4(c)(i) and (2) the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction or as of the date of the Holder’s request pursuant to Section 4(c)(i) if such request is prior to the date of the consummation of the applicable Fundamental Transaction, (iv) a zero cost of borrow and (v) an expected volatility equal to the greater of 100% and the 30 day volatility obtained from the “HVT” function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of (A) the public disclosure of the applicable Fundamental Transaction and (B) the date of the Holder’s request pursuant to Section 4(c)(i).

(k) **“Bloomberg”** means Bloomberg, L.P.

(l) **“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.

(m) **“Closing Sale Price”** means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price 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 trade price 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 does not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no last trade price is reported for such security by Bloomberg, the average of the ask prices 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 Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 15. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during such period.

(n) “**Convertible Securities**” means any share 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.

(o) “**Eligible Market**” means The New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market.

(p) “**Event Market Price**” means, with respect to any Share Combination Event Date, the quotient determined by dividing (x) the sum of the VWAP of the Ordinary Shares for each of the five (5) lowest Trading Days during the twenty (20) consecutive Trading Day period ending and including the Trading Day immediately preceding the sixteenth (16th) Trading Day after such Share Combination Event Date, divided by (y) five (5). All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

(q) “**Event of Default Black Scholes Value**” means the value of the unexercised portion of this Warrant remaining on the date of the Holder’s request pursuant to Section 4(c)(ii), which value is 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 highest Closing Sale Price of the Ordinary Shares during the period beginning on the date of the occurrence of the Event of Default through the date all Events of Default have been cured (assuming for such purpose that the Notes remain outstanding) or, if earlier, the Trading Day of the Holder’s request pursuant to Section 4(c)(ii), (ii) a strike price equal to the Exercise Price in effect on the date of the Holder’s request pursuant to Section 4(c)(ii), (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of (1) the remaining term of this Warrant as of the date of the Holder’s request pursuant to Section 4(c)(ii) and (2) the remaining term of this Warrant as of the date of the occurrence of such Event of Default, (iv) a zero cost of borrow and (v) an expected volatility equal to the greater of 100% and the 30 day volatility obtained from the “HVT” function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following later of (x) the date of the occurrence of such Event of Default and (y) the date of the public announcement of such Event of Default.

(r) “**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 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 exercise of the SPA Warrants; provided, that the terms of the SPA Warrants 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 (vi) the Ordinary Shares issued or issuable pursuant to any Permitted VRT, solely in accordance with Section 9 of the Note.

(s) “**Expiration Date**” means the date that is the third (3rd) anniversary of the Issuance Date or, if such date falls on a day other than a Trading Day or on which trading does not take place on the Principal Market (a “**Holiday**”), the next date that is not a Holiday.

(t) “**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, 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 stock or share 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 Warrant 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.

(u) “**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.

(v) “**Initial Closing Date**” shall have the meaning set forth in the Securities Purchase Agreement, which date is the date the Company initially issued Warrants pursuant to the terms of the Securities Purchase Agreement.

(w) “**Market Price**” means, with respect to any Adjustment Date, the greater of (x) the Floor Price (as defined in the Notes) and (y) 80% of the lower of (I) the Nasdaq closing price of the Ordinary Shares as of the Trading Day ended immediately prior to such applicable Adjustment Date and (II) the quotient of (A) the sum of each Nasdaq closing price of the Ordinary Shares on each Trading Day of the five (5) Trading Day period ended on, and including, the Trading Day ended immediately prior to such applicable Adjustment Date (each, a “**Market Price Measuring Period**”), divided by (B) five (5). All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Ordinary Shares during such applicable Market Price Measuring Period.

(x) “**Notes**” has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all notes issued in exchange therefor or replacement thereof.

(y) “**Options**” means any rights, warrants or options to subscribe for or purchase shares of Ordinary Shares or Convertible Securities.

(z) “**Ordinary Shares**” means (i) 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.

(aa) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person and whose ordinary shares 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.

(bb) “**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.

(cc) “**Principal Market**” means the Nasdaq Capital Market.

(dd) “**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 SPA Warrants, as may be amended from time to time.

(ee) “**SEC**” means the United States Securities and Exchange Commission or the successor thereto.

(ff) “**Subject Entity**” means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(gg) “**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.

(hh) “**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 is 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 or trading volume 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.

(ii) “**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 15. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD

By: _____
Name:
Title:

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE ORDINARY SHARES

HUB CYBER SECURITY LTD

The undersigned holder hereby elects to exercise the Warrant to Purchase Ordinary Shares No. _____ (the “**Warrant**”) of Hub Cyber Security Ltd, a corporation organized under the laws of the State of Israel (the “**Company**”) as specified below. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Aggregate Exercise Price shall be made as:

- ☐ a “Cash Exercise” with respect to _____ Warrant Shares; and/or
- ☐ a “Cashless Exercise” with respect to _____ Warrant Shares.

In the event that the Holder has elected a Cashless Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the Holder hereby represents and warrants that (i) this Exercise Notice was executed by the Holder at _____ [a.m.][p.m.] on the date set forth below and (ii) if applicable, the Bid Price as of such time of execution of this Exercise Notice was \$_____.

Notwithstanding anything to the contrary contained herein, this Exercise Notice shall constitute a representation by the Holder of the Warrant submitting this Exercise Notice that after giving effect to the conversion provided for in this Exercise 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 Warrant) of the total outstanding Ordinary Shares of the Company as determined pursuant to the provisions of Section 1(f) of the Warrant.

2. Payment of Exercise Price. In the event that the Holder has elected a Cash Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the Holder shall pay the Aggregate Exercise Price in the sum of \$_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in accordance with the terms of the Warrant. Delivery shall be made 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: _____

Facsimile: _____

E-mail Address: _____

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 202_, from the Company and acknowledged and agreed to by _____.

HUB CYBER SECURITY LTD

By: _____
Name:
Title:

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is of the type that the Company treats as private or confidential. Double asterisks denote omissions.

BUSINESS LOAN AND SECURITY AGREEMENT

THIS BUSINESS LOAN AND SECURITY AGREEMENT (as the same may be amended, restated, modified, or supplemented from time to time, this “**Agreement**”) dated as of April 29, 2025 (the “**Effective Date**”) among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, “**Collateral Agent**”), and Agile Lending, LLC, a Virginia limited liability company (“**Lead Lender**”) and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a “**Lender**” and collectively with the Lead Lender, the “**Lenders**”), and Hub Cyber Security Ltd., a domestic Israeli company (“**Parent**” or “**Borrower**”), and its subsidiaries, Comsec Distribution Ltd., a domestic Israeli company, and HUB Cyber Security, Inc., and a domestic California corporation, individually and collectively, jointly and severally, “**Guarantors**”), and provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders the loans described herein. The Collateral Agent, Lenders, and Borrower, each a “**Party**” and collectively the “**Parties**”, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS, ACCOUNTING AND OTHER TERMS

1.1 Capitalized terms used herein shall have the meanings set forth in Section 13 to the extent defined therein. All other capitalized terms used but not defined herein shall have the meaning given to such terms in the Code. Any accounting term used but not defined herein shall be construed in accordance with IFRS and all calculations shall be made in accordance with IFRS. The term “financial statements” shall include the accompanying notes and schedules thereto. Any section, subsection, schedule or exhibit references are to this Agreement unless otherwise specified.

2. LOANS AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay each Lender the outstanding principal amount of the Term Loan advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Term Loan.

(a) Availability. The Lenders, relying upon each of the representations and warranties set out in this Agreement, as well as each of the representations, covenants and warranties set out in the other Loan Documents, hereby severally and not jointly agree with the Borrower that, subject to and upon the terms and conditions of this Agreement, shall advance a term loan (the “**Term Loan**”) to the Borrower on the Effective Date as set forth in the Disbursement Instruction Form, but in any event no later than two (2) Business Days after the date hereof, by wiring the funds to the Borrower’s Account.

(b) Repayment. Borrower agrees to pay all amounts owing pursuant to the terms of this Agreement, including any financing charge, specified fees, interest and any other charges that may be assessed as provided in this Agreement or as documented in the Business Loan and Security Agreement Supplement (the “**Supplement**”) or the Secured Promissory Note (as defined below). The Term Loan shall be repaid by Borrower on the dates specified on Exhibit B-4 of this Agreement (each a “**Scheduled Repayment Date**”) by the amount set out opposite each Scheduled Repayment Date (each a “**Scheduled Repayment Amount**”) and in accordance with the Term Loan Amortization Schedule. If any payment on the Secured Promissory Note is due on a day which is not a Business Day, such payment shall be due on the next succeeding Business Day, and such extension of time shall be taken into account in calculating the amount of interest payable under this Note. All unpaid principal and accrued and unpaid interest with respect to the Term Loan is due and payable in full on the Maturity Date. The Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d). Once repaid, no portion of the Term Loan may be reborrowed.

(c) Mandatory Prepayments. If an event described in Section 7.2 hereof occurs, or the Term Loan is accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Prepayment Fee (as defined in Section 2.2(d) below), plus (iii) all other Obligations that are due and payable, including, without limitation, interest at the Default Rate with respect to any past due amounts.

(d) Permissive Prepayments and Make-Whole Premium. Borrower shall have the right to make a full prepayment or partial prepayment of any or all of the Obligations in accordance with the prepayment amendment in Exhibit E of this Agreement. The foregoing notwithstanding, upon the prepayment of any principal amount, Borrower shall be obligated to pay a make-whole premium payment on account of such principal so paid, which shall be equal to the aggregate and actual amount of interest (at the contract rate of interest) that would be paid through the Maturity Date ("**Prepayment Fee**"). For the avoidance of doubt, the Prepayment Fee shall not increase the total amount of principal and interest payable under this Agreement.

2.3 Payment of Interest on the Term Loans.

(a) Interest Rate. Borrower agrees to pay in full the interest as set forth in the Supplement found in Exhibit B-5 of this Agreement. Interest shall accrue on the Term Loan commencing on, and including, the Effective Date of such Term Loan, and shall accrue on the principal amount outstanding under the Term Loan through and including the day on which the Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) 360 Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

(d) Usury Savings Clause. This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Term Loan at a rate which could subject Lenders to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to the Collateral Agent or Lenders for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full.

2.4 Fees. Borrower shall pay to Collateral Agent and/or Lenders:

(a) Administrative Agent Fee. The Administrative Agent Fee of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00), which shall be paid at closing out of proceeds of the Term Loan for the account of Collateral Agent.

2.5 Secured Promissory Notes. The Term Loan shall be evidenced by a Secured Promissory Note in the form attached as Exhibit D hereto ("**Secured Promissory Note**") and shall be repayable as set forth in this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Term Loan. Each Lender's obligation to make the Term Loan is subject to the condition precedent that each Lender shall consent to or shall have received, in form and substance satisfactory to each Lender, such documents, and completion of such other matters, as each Lender may reasonably deem necessary or appropriate.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Effective from and after the 42nd day following the Effective Date of the Term Loan, Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower shall grant to Collateral Agent, for the ratable benefit of the Lenders, a security interest therein and in the proceeds thereof, effective as of the 42nd day following the Effective Date of the Term Loan, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent. If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to extend the Term Loan has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file such financing statements and/or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights in the Collateral and under the Loan Documents; *provided, however, Collateral Agent may only file such financing statements and/or take any other action required to perfect Collateral Agent's security interests in the Collateral, upon the occurrence and continuation of an Event of Default.*

4.3 Guaranty. (Intentionally omitted).

5. REPRESENTATIONS AND WARRANTIES

Each Borrower, jointly and severally, represents and warrants to Collateral Agent and the Lenders as follows:

5.1 Due Organization, Authorization: Power and Authority. Each Borrower and each of its respective Subsidiaries is duly formed, validly existing and in good standing (to the extent such term is relevant in a jurisdiction) as under the laws of its jurisdiction of organization or formation and each Borrower and each of its respective Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

5.2 Collateral. Borrower and Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, . Subject to the occurrence and continuation of an Event of Default, the security interests granted herein shall be a first priority security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Collateral Agent's Lien. All Inventory and Equipment that is part of the Collateral is in all material respects of good and marketable quality, free from material defects.

5.3 Litigation. Except as disclosed in the Borrower's SEC filings, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of any of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Fifty Thousand Dollars (\$50,000.00).

5.4 No Material Adverse Change; Financial Statements. All consolidated financial statements for Parent and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with IFRS, in all material respects the consolidated financial condition of Parent and its Subsidiaries, and the consolidated results of operations of Parent and its Subsidiaries. Since the date of the most recent financial statements submitted to any Lender, there has not been a Material Adverse Change.

5.5 Solvency. Borrower and each of its Subsidiaries, when taken as a whole, is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to result in a Material Adverse Change. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary to continue their respective businesses as currently conducted.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Each Borrower and each of its respective Subsidiaries has timely filed all required tax returns and reports, and, except as disclosed, each Borrower and each of its respective Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by such Borrower and such Subsidiaries, in all jurisdictions in which such Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in good faith.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Term Loan solely to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of any Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Shares. Subject to the consent of the Senior Lenders and to the occurrence and continuation of an Event of Default, each Borrower has full power and authority to create a subordinated lien on its Shares and no disability or contractual obligation exists that would prohibit such Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. With respect to each Subsidiary which is a corporation, the Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

5.12 Guarantee. (Intentionally omitted)

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

6.1 Government Compliance. Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change.

6.2 Notices.

(a) Deliver to Collateral Agent and each Lender: (i) (upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, prompt (and in any event within three (3) Business Days) written notice of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default; (ii) notice of any commercial tort claim of Borrower or any Guarantor and of the general details thereof; (iii) other information as reasonably requested by Collateral Agent or any Lender; (iv) written notice of any new litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of more than Fifty Thousand Dollars (\$50,000.00); and (v) written notice of all returns, recoveries, disputes and claims regarding Inventory that involve more than Fifty Thousand Dollars (\$50,000.00) individually or in the aggregate in any calendar year.

(b) Keep proper, complete and true books of record and account in accordance with IFRS and in all material respects. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing. Notwithstanding the foregoing, upon request of any Lender, Borrower agrees to permit such Lender to communicate with Borrower's accounting firm, in the presence of a Responsible Officer of the Borrower or the Parent, with respect to the consolidated financial statements delivered pursuant to this Section 6.2.

6.3 Inventory and Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective account debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date.

6.4 Taxes. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except as otherwise permitted pursuant to the terms of Section 5.8 hereof.

6.5 Insurance. Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request (including customary lender's loss payable endorsements and naming the Collateral Agent as an additional insured), and give the Collateral Agent thirty (30) days' prior written notice before any such policy or policies shall be materially altered or canceled (other than cancellation for non-payment of premiums, for which ten (10) days' prior written notice shall be required). At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments to Collateral Agent. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make (but has no obligation to do so), at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's books and records, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

6.7 Further Assurances. Execute any further instruments and take any and all further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement, including without limitation, permit Collateral Agent or any Lender to discuss Borrower's financial condition with Borrower's accountants in the presence of a Responsible Officer of the Borrower or the Parent.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property (including Intellectual Property), except for Transfers (a) of (i) Inventory in the ordinary course of business and (ii) Inventory, that, prior to the Effective Date, has been written down or written off, together with related tangible assets and non-material Intellectual Property; (b) of worn out or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses; (d) of any non-material Intellectual Property; (e) from (i) Borrower to a Guarantor, (ii) a non-guarantor Subsidiary to a Guarantor or Borrower, and (iii) a non-guarantor Subsidiary to another non-guarantor Subsidiary; (f) permitted under Section 7.3 below; or (f) Qpoint Technologies Ltd.

7.2 Changes in Business or Management, Ownership. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve or permit any of its Subsidiaries to liquidate or dissolve; or (c) cause or permit, voluntarily or involuntarily, any Key Person to cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent and each Lender within ten (10) days of such Key Person ceasing to be actively engaged in the management of Borrower,

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person, other than BlackSwan Technologies, Inc.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness. **For the avoidance of doubt, Indebtedness includes Merchant Cash Advances.**

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property.

7.6 Restricted Payments. Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock.

7.7 Investments. Directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries (other than among Borrower and Guarantors), except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries.

7.9 Subordinated Debt. Make or permit any payment on any Subordinated Debt or alternative financings that may encumber any assets of Borrower.

7.10 Financial Covenants. Waived.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement, except as set forth in the Perfection Certificate:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on the Term Loan on its due date, or (b) pay any other Obligation, in each case, within seven (7) Business Days after such Obligation is due and payable (which seven (7) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof).

8.2 Covenant Default. Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), or Borrower violates any provision in Section 7.

8.3 Material Adverse Change. A Material Adverse Change has occurred.

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Material Subsidiaries on deposit with any institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Material Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); and

(b) (i) any material portion of Borrower's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower or any of its Subsidiaries from conducting any part of its business;

8.5 Insolvency. (a) Parent is or becomes Insolvent; (b) Parent and its Subsidiaries, taken as a whole, are or become Insolvent; (c) Borrower or any Material Subsidiary begins an Insolvency Proceeding; or (d) an Insolvency Proceeding is begun against Borrower or any Material Subsidiary and is not dismissed or stayed within forty five (45) days (but no Term Loan shall be extended while Parent or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement between Borrower or any of its Subsidiaries and a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness.

8.7 Judgments. (a) One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Fifty Thousand Dollars (\$50,000.00) (not covered by independent third party insurance) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof or (b) any judgments, orders or decrees rendered against Borrower that could reasonably be expected to result in a Material Adverse Change;

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement, when taken as a whole, is incorrect in any material respect when made.

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

8.10 Guaranty. (Intentionally Omitted)

8.11 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens or Liens arising as a matter of applicable law.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured by Borrower, as applicable, or waived by Lenders in writing), Lenders may, at their option: (i) by written notice to Borrower, declare the entire unpaid principal balance of the Term Loan, together with all accrued interest thereon and any other charges or fees payable hereunder, immediately due and payable regardless of any prior forbearance and (ii) exercise any and all rights and remedies available to it hereunder, under the Secured Promissory Note and/or under applicable law, including, without limitation, the right to collect from Borrower all sums due under this Agreement and the Secured Promissory Note and repossess any Collateral at Borrower's expense. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of Lenders or Collateral Agent in connection with Lenders' exercise of any or all of its rights and remedies under this Agreement or the Secured Promissory Note, including, without limitation, reasonable attorneys' fees. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney in fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney in fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in, and lien on, the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to extend the Term Loan hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide the Term Loan terminates.

9.3 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.4 Demand Waiver. Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, “**Communication**”) by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and seven (7) Business Days after deposit in the mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile transmission or e-mail on a Business Day (and if not, on the next Business Day); (c) two (2) Business Days after deposit with a reputable international courier with all charges prepaid; or (d) when delivered, if hand delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, any Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:

HUB Cyber Security Ltd. 2 Kaplan Street
Tel Aviv 6473403, Israel E-Mail Address: [**]
8549 WILSHIRE BLVD,
STE 5002
BEVERLY HILLS, CA 90211

If to Collateral Agent:

Agile Capital Funding, LLC
244 Madison Ave, Suite 168
New York, NY 10016
E-Mail Address: [**]

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

11.1 Waiver of Jury Trial. EACH OF BORROWER, COLLATERAL AGENT AND LENDERS UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, ANY OF THE INDEBTEDNESS SECURED HEREBY, ANY DEALINGS AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.2 Governing Law and Jurisdiction.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS (EXCLUDING THOSE LOAN DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE COMMONWEALTH OF VIRGINIA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAWS OTHER THAN THE LAWS OF THE COMMONWEALTH OF VIRGINIA), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL, PROVIDED, HOWEVER, THAT IF THE LAWS OF ANY JURISDICTION OTHER THAN VIRGINIA SHALL GOVERN IN REGARD TO THE VALIDITY, PERFECTION OR EFFECT OF PERFECTION OF ANY LIEN OR IN REGARD TO PROCEDURAL MATTERS AFFECTING ENFORCEMENT OF ANY LIENS IN COLLATERAL, SUCH LAWS OF SUCH OTHER JURISDICTIONS SHALL CONTINUE TO APPLY TO THAT EXTENT.

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to the Loan Documents shall be brought exclusively in the courts of the Commonwealth of Virginia, including, without limitation the Circuit Court of Arlington County in the Commonwealth of Virginia and, by execution and delivery of this Agreement, Borrower hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts. Notwithstanding the foregoing, Collateral Agent and Lenders shall have the right to bring any action or proceeding against Borrower (or any property of Borrower) in the court of any other jurisdiction Collateral Agent or Lenders deem necessary or appropriate in order to realize on the Collateral or other security for the Obligations. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions. Borrowers expressly acknowledge that they are subject to personal jurisdiction in the Commonwealth of the Virginia, that they intentionally entered into the transactions that are the subject of this Agreement with Collateral Agent and Lender, who are located in the Commonwealth of Virginia, and that Borrowers waive any and all objections to the exercise of personal jurisdiction over them of the Commonwealth of Virginia and to venue in the Circuit Court for Arlington County, Virginia and any other court within the Commonwealth of Virginia.

(c) Service of Process. Borrower irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable requirements of law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of Borrower specified herein (and shall be effective when such mailing shall be effective, as provided therein). Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Non-exclusive Jurisdiction. Nothing contained in this Section 11.2 shall affect the right of Collateral Agent or Lenders to serve process in any other manner permitted by applicable requirements of law or commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each Party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's prior written consent (which may be granted or withheld in Collateral Agent's discretion, subject to Section 12.5). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation, or grant of a participation, a "**Lender Transfer**") all or any part of, or any interest in, any one or more Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents. In the event of such a Lender Transfer, Collateral Agent or Lead Lender shall have the right to, at its respective sole and absolute option, (a) notify Borrower of such Lender Transfer, in accordance with Section 10 hereof, and direct Borrower to make payments directly to such other Lender or Lenders, indicating such other Lenders' Pro Rata share of the Term Loan and the amount of the payment to be made in connection therewith, or (b) continue to collect payments hereunder and under the other Loan Documents and pay such other Lenders their Pro Rata Share of the Term Loan, in accordance with, and on such terms, as are determined by and between the Lenders.

12.2 Indemnification. Borrower, jointly and severally, agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective members, managers, directors, officers, employees, consultants, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. Borrower hereby further, jointly and severally, indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.4 Correction of Loan Documents. Collateral Agent may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.5 Amendments in Writing; Integration. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, and no consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender's Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent's written consent or signature; and

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to the Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to the Term Loan (B) postpone the date fixed for, or waive, any payment of principal of the Term Loan or of interest on the Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "Required Lenders" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.5 or the definitions of the terms used in this Section 12.5 insofar as the definitions affect the substance of this Section 12.5; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the immediately preceding sentence.

(b) Other than as expressly provided for in Section 12.5(a)(i) (iii), Collateral Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.6 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Any and all electronic signatures, whether by scan, e-mail, PDF, Docusign or similar means, and any electronic delivery of signature pages hereto, shall be treated as originals.

12.7 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.8 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.8 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Term Loan (provided, however, the Lenders and Collateral Agent shall obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement or have agreed to similar confidentiality terms with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent at no fault of the Lenders or the Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.8 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.8. Lenders acknowledge that Borrower is a public company and that trading in its shares, or making trading recommendations with respect to its shares, while in the possession of material non-public information is strictly prohibited.

12.9 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY BORROWER.

12.10 Borrower Liability. Each Borrower may, acting singly, request credit extensions hereunder. Each Borrower hereby appoints the other as agent for the other for all purposes hereunder, including with respect to requesting credit extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all credit extensions made hereunder, regardless of which Borrower actually receives said credit extension, as if each Borrower hereunder directly received all credit extensions. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, and (b) any right to require Collateral Agent or any Lender to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Collateral Agent and/or any Lender may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Collateral Agent and the Lenders under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 12.10 shall be null and void. If any payment is made to a Borrower in contravention of this Section 12.10, such Borrower shall hold such payment in trust for Collateral Agent and the Lenders and such payment shall be promptly delivered to Collateral Agent for application to the Obligations, whether matured or unmatured.

12.11. Change of Law. If, due to any change in applicable law or regulations, or the interpretation thereof by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, the performance of any provision of this Agreement, the loans granted pursuant hereto or any transaction contemplated hereby shall become unlawful, impracticable or impossible, the Lender shall have the right, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed, to amend the terms hereof in good faith so as to comply with the then current laws, rules and/or regulations in the way that, in its reasonable judgment, best and most closely reflects the terms and conditions negotiated herein and intended hereby.

12.12. Subordination to Senior Indebtedness. Borrower, Collateral Agent and Lenders agree that the payment of all amounts payable hereunder and under the Secured Promissory Note are expressly subordinated in right of payment to the payment when due of all obligations under the Senior Indebtedness. The Collateral Agent and the Lenders acknowledge and agree to negotiate, execute, deliver and perform, in good faith, any subordination agreement or intercreditor agreement which may be required by Borrower and the holders of any Senior Indebtedness, in form and substance acceptable to Borrower and such holders in their reasonable discretion; *provided, however*, that in no event shall any such agreement contravene the terms of this Agreement and/or require that the Maturity Date be extended without the express approval of the Lenders.

12.13. Taxes. With respect to any payments to Lenders of interest under this Agreement which are subject to VAT payment under applicable law, the Borrower shall bear any VAT required by applicable law. Borrower shall be entitled to withhold tax with respect to the cash interest payment under the Agreement as required by applicable Israeli law in accordance with the Convention between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income.

13. DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

“**Accounts**” shall mean accounts receivable of Parent.

“**Affiliate**” of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners if such Person is a partnership and, for any Person that is a limited liability company, that Person's managers and members.

“**Borrowing Base**” shall mean, at any time, an amount equal to 100% of Eligible Accounts.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which banks are closed in the Commonwealth of Virginia.

“**Code**” is the Uniform Commercial Code, as enacted in the Commonwealth of Virginia.

“**Collateral**” is any and all properties, rights and assets of Borrower described on Exhibit A.

“**Disbursement Instruction Form**” is that certain form attached hereto as Exhibit B-2.

“**Drawdown**” means any principal amount borrowed or to be borrowed (by any means) under the provisions hereof.

“**Eligible Accounts**” shall mean Accounts that are not excluded as ineligible by virtue of one or more of the criteria set forth below. None of the following shall be Eligible Accounts: (A) Accounts (i) with respect to which the scheduled due date is more than 60 days after the original invoice date, (ii) which are unpaid more than (A) 90 days after the date of the original invoice therefor; (B) Accounts which (i) do not arise from the sale of goods or performance of services in the ordinary course of business, (ii) are not evidenced by an invoice or other documentation reasonably satisfactory to the Collateral Agent, (iii) represent a progress billing, or (iv) are contingent upon any Borrower’s completion of any further performance; (C) Accounts which are owed by an account debtor which (i) does not maintain its chief executive office in the United States or (ii) is not organized under any applicable law of the United States, any State of the United States or the District of Columbia; (D) Accounts which are owed in any currency other than dollars; or (E) Accounts which are owed by any Affiliate, employee, officer, director or stockholder of any Borrower or Guarantor.

“**Equipment**” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“**Existing Indebtedness**” is the indebtedness of Borrower listed in the Perfection Certificate. “**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, (d) merchant cash advances; and (e) Contingent Obligations in respect of any of the foregoing.

“**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, (d) merchant cash advances; and (e) Contingent Obligations in respect of any of the foregoing.

“**Insolvency Proceeding**” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions or proceedings seeking reorganization, arrangement, or other relief.

“**Insolvent**” means not Solvent.

“**Intellectual Property**” shall mean, all (a) trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, logos, trade dress, domain names, web sites, and all other indicia of origin or quality, and goodwill associated therewith and arising therefrom; (b) patents and patent rights; and (c) works of authorship and copyrights therein, and all common law rights in all of the foregoing, and registration and applications for all of the foregoing issued by or filed with the US Patent and Trademark Office, any State of the US, the US Copyright Office, or any foreign equivalent thereof, and all of the foregoing (a)-(c) used in, at, or in connection with and/or necessary for the (i) conduct of any Borrower’s business and/or (ii) use and/or operation of the Collateral.

“**Inventory**” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“**Investment**” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities) other than a Subsidiary, and any loan, advance or capital contribution to any Person other than a Subsidiary.

“**Key Person**” is NOAH HERSHCOVIZ, AND LIOR DAVIDSOHN

“**Lien**” is a mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Loan Documents**” are, collectively, this Agreement, each Secured Promissory Note, each Disbursement Instruction Form, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future document, certificate, form or agreement entered into by Borrower or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified or supplemented from time to time.

“**Material Adverse Change**” is (a) a material adverse change in the business, operations or condition (financial or otherwise) of Parent, or Parent and each Subsidiary, taken as a whole; (b) a material impairment of the prospect of repayment of any portion of the Obligations, or (c) a material adverse effect on the Collateral.

“Maturity Date” is 30 weeks from the Effective Date.

“Maximum Legal Rate” shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Term Loan.

“Obligations” are all of Borrower’s obligations to pay when due any debts, principal, interest, the Prepayment Fee, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents, or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower’s duties under the Loan Documents.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“Perfection Certificate” is that certain form attached hereto as Exhibit B-1.

“Permitted Indebtedness” is: (a) Borrower’s Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents; (b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s); (c) unsecured Indebtedness to trade creditors and Indebtedness in connection with credit cards incurred in the ordinary course of business; (d) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (c) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, or its Subsidiary, as the case may be;

“Permitted Investments” are: (a) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business; (b) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (b) shall not apply to Investments of Borrower in any Subsidiary; (c) investments owned by any Borrower on the Effective Date; and (d) investments by a Borrower in its Subsidiaries.

“Permitted Licenses” are licenses of over-the-counter software that is commercially available to the public.

“Permitted Liens” are (a) Liens existing on the Effective Date and disclosed on the Perfection Certificates; (b) arising under this Agreement and the other Loan Documents; (c) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower in conformity with IFRS; (d) non-consensual Liens arising by operation of law, arising in the ordinary course of business, and for amounts which are not overdue for a period of more than sixty (60) days or that are being contested in good faith by appropriate proceedings; (e) judgement Liens arising solely as a result of the existence of judgments, orders, or awards for the payment of money that do not constitute an Event of Default under Section 8.7; (f) deposits to secure a Borrower’s obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money (other than leases constituting Indebtedness); (g) easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof or materially detract from the value of real property; (h) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business; and (i) rights of setoff or bankers’ liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business.

“Person” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

“**Pro Rata Share**” is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of the Term Loan held by such Lender by the aggregate outstanding principal amount of the Term Loan.

“**Related Persons**” means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor and other consultants and agents of or to such Person or any of its Affiliates.

“**Required Lenders**” means (i) for so long as the Lead Lender has not assigned or transferred any of its interests in the Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after the Lead Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least fifty one percent (51%) of the aggregate outstanding principal balance of the Term Loan.

“**Responsible Officer**” is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower or Parent.

“**Senior Indebtedness**” is that Permitted Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s).

“**Secured Promissory Note**” is defined in Section 2.5.

“**Shares**” means one hundred percent (100.0%) of the stock, units or other evidence of equity ownership held by Borrower or its Subsidiaries of any Subsidiary which is organized under the laws of the United States.

“**Solvent**” is, with respect to any Person: the fair salable value of such Person’s consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person’s liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature in the ordinary course (without taking into account any forbearance and extensions related thereto).

“**Subordinated Debt**” is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Indebtedness of Borrower and/or its Subsidiaries to the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

“**Subsidiary**” is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries. Unless otherwise specified, references herein to a Subsidiary means a Subsidiary of Borrower, excluding BlackSwan Technologies, Inc. and its Subsidiaries.

“**Term Loan**” is defined in Section 2.2(a) hereof.

“**Term Loan Amortization Schedule**” means the amortization schedule set forth in Exhibit B-4 of this Agreement.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by one of its officers thereunto duly authorized on the date hereof.

Parties	Name of Signatory and Title	Signature
<u>Borrowers</u>		
HUB CYBER SECURITY LTD.	NOAH HERSHCOVIZ, CEO	/s/ Noah Herscoviz
<u>Guarantors</u>		
Comsec Distribution Ltd.	NOAH HERSHCOVIZ, CEO	/s/ Noah Herscoviz
HUB Cyber Security, Inc.	NOAH HERSHCOVIZ, CEO	/s/ Noah Herscoviz

LEAD LENDER:
Agile Lending, LLC

/s/ Aaron Greenblott

By: Aaron Greenblott
Its: Member

COLLATERAL AGENT:
Agile Capital Funding, LLC

/s/ Aaron Greenblott

By: Aaron Greenblott
Its: Member

EXHIBITS TO FOLLOW

APPENDIX 1
BORROWER LIST

EXHIBIT A

DESCRIPTION OF COLLATERAL

The Collateral consists of all of Borrower's right, title and interest in and to the following property:

All of Borrower's goods, Accounts, Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including Intellectual Property), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), all of the Borrower's shares in HUB Cyber Security, Inc. and BlackSwan Technologies, Inc., and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All of Borrower's books and records relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9- 408 or 9-409 (or any other Section) of Division 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the "Collateral."

EXHIBIT B-1

PERFECTION CERTIFICATE

The undersigned, the CEO of **HUB CYBER SECURITY LTD., a domestic Israeli company**(the “**Parent**” or “**Borrower**”), hereby certifies, with reference to (i) the Business Loan and Security Agreement, dated as of April 29, 2025(the “**Loan Agreement**”), among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, “**Collateral Agent**”),and Agile Lending, LLC, a Virginia limited liability company (“Lead Lender”) and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a “**Lender**” and collectively with the Lead Lender, the “**Lenders**”), and the Borrower and its subsidiaries, Comsec Distribution Ltd., a domestic Israeli company, and HUB Cyber Security, Inc., A domestic California corporation., individually and collectively, jointly and severally, “**Guarantors**”) as Guarantors, to the Lender as follows:

1. Name, Tax ID, and State of Formation. The exact legal name of the Borrower and Guarantors as that name appears on its Certificate of Organization, as amended, is as follows:

Name	Tax ID	State of Formation
HUB CYBER SECURITY LTD.		ISRAEL
Comsec Distribution Ltd.		ISRAEL
HUB Cyber Security, Inc.	[**]	CALIFORNIA

2. Other Identifying Factors.

(a) The following is the mailing address of the Borrower and Guarantors:

2 Kaplan Street
Tel Aviv, Israel 6473403

8549 WILSHIRE BLVD, STE 5002
BEVERLY HILLS, CA 90211

(b) The following are any DBAs of the Borrower:

3. Other Current Locations.

(a) The following are all other locations in which the Borrower maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

(b) The following are all other places of business of the Company in the United States of America:

(c) The following are all other locations where any of the Collateral consisting of inventory or equipment is located:

(d) The following are the names and addresses of all persons or entities other than the Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

4. Prior Locations.

(a) Set forth below is the information required by §4(a) or (b) with respect to each location or place of business previously maintained by the Company at any time during the past five years in a state in which the Company has previously maintained a location or place of business at any time during the past four months:

(b) Set forth below is the information required by §4(c) or (d) with respect to each other location at which, or other person or entity with which, any of the Collateral consisting of inventory or equipment has been previously held at any time during the past twelve months:

5. Fixtures. Set forth below is the information required by UCC §9-502(b) or former UCC §9-402(5) of each state in which any of the Collateral consisting of fixtures are or are to be located and the name and address of each real estate recording office where a mortgage on the real estate on which such fixtures are or are to be located would be recorded.

6. Intellectual Property. Set forth below is a complete list of all United States and foreign patents, copyrights, trademarks, trade names and service marks registered or for which applications are pending in the name of the Company.

7. Securities; Instruments. Set forth below is a complete list of all stocks, bonds, debentures, notes and other securities and investment property owned by the Company (*provide name of issuer, a description of security and value*).

8. Permitted Indebtedness.

Lender	Balance	Total Payment (indicate daily, weekly, or monthly)
JJ Astor	XX	XX
Julestar	XX	XX

9. Permitted Liens:

JJ Astor
Julestar
XX

10. Bank Accounts. The following is a complete list of all bank accounts (including securities and commodities accounts) maintained by the Borrower (*provide name and address of depository bank, type of account and account number*):

Bank Account	Account Number	Account Routing
HSBC	[**]	ACH Routing: [**]
XX	XX	XX
XX	XX	XX

11. Unusual Transactions. All of the Collateral has been originated by the Borrower in the ordinary course of the Borrower’s business or consists of goods which have been acquired by the Borrower in the ordinary course from a person in the business of selling goods of that kind.

12. Litigation

- a. The following is a complete list of pending and threatened litigation or claims involving amounts claimed against the Borrower in an indefinite amount or in excess of \$50,000 in each case:
- b. The following are the only claims which the Borrower has against others (other than claims on accounts receivable), which the Borrower is asserting or intends to assert, and in which the potential recovery exceeds \$50,000:

13. **Insurance Broker.** The following broker handles the Borrower’s property insurance:

Broker	Contact	Telephone	Email

The Borrower agrees to advise you of any change or modification to any of the foregoing information or any supplemental information provided on any continuation pages attached hereto, and, until such notice is received by you, you shall be entitled to rely upon such information and presume it is correct. The Borrower acknowledges that your acceptance of this Perfection Certificate and any continuation pages does not imply any commitment on your part to enter into a loan transaction with the Borrower, and that any such commitment may only be made by an express written loan commitment, signed by one of your authorized officers.

Date: April 29, 2025 [_____]

By: /s/ NOAH HERSHCOVIZ
Name: NOAH HERSHCOVIZ
Its: CEO
Email: [**]

By: /s/ LIOR DAVIDSOHN
Name: LIOR DAVIDSOHN
Its: CFO
Email: [**]

EXHIBIT B-2

DISBURSEMENT INSTRUCTION FORM

[**]

EXHIBIT B-3

DRAWDOWN SCHEDULE

Within 2 Business Days of Closing Date.

EXHIBIT B-4

REPAYMENT AND AMORTIZATION
SCHEDULE

[**]

EXHIBIT B-5

Business Loan and Security Agreement Supplement

Principal Amount of Loan:	\$2,000,000.00, including the Administrative Agent Fee , available as set forth in the Drawdown Schedule found in Exhibit B-3 of this Agreement.
Total Repayment Amount:	The total repayment amount of the Term Loan, including all interest, lender fees, and third-party fees, assuming all payments are made on time is \$2,980,000.00 .
Payment Schedule:	As set forth in the Repayment and Amortization Schedule found in Exhibit B-4 of the Agreement.
Payment Multiplier: (The per dollar cost of the loan inclusive of all interest and fees).	1.49
Interest Charge:	\$980,000.00 , assuming all payments are made on time.
Fees payable to Collateral Agent and its designees:	Administrative Agent Fee: \$200,000.00 , payable at closing out of proceeds of the Term Loan

EXHIBIT D

SECURED PROMISSORY NOTE

SECURED PROMISSORY NOTE

\$2,000,000.00

Dated: April 29, 2025

FOR VALUE RECEIVED, the undersigned **HUB CYBER SECURITY LTD., a domestic Israeli company** (“Parent” or “Borrower”) and its subsidiaries, **Comsec Distribution Ltd., a domestic Israeli company, and HUB Cyber Security, Inc., a domestic California corporation**, individually and collectively, jointly and severally, “**Guarantors**”), HEREBY JOINTLY AND SEVERALLY PROMISE TO PAY to the order of Agile Lending, LLC, or its designees or assigns (“**Lead Lender**”) the principal amount of TWO MILLION DOLLARS (\$2,000,000.00) or such lesser amount as shall equal the outstanding principal balance of the Term Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term Loan, at the rates and in accordance with the terms of the Business Loan and Security Agreement dated April 29, 2025, by and among Borrower, Lender, Collateral Agent, and the other Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the “**Loan Agreement**”). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Confessed Judgment Secured Promissory Note (this “**Note**”).

The Loan Agreement, among other things, (a) provides for the making of a secured Term Loan by Lender to Borrower, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2 (c) and Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term Loan, interest on the Term Loan and all other amounts due Lender under the Loan Agreement is secured as provided under the Loan Agreement.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrower shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys’ fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower’s obligations hereunder not performed when due.

All claims of the holder of this Note to principal, interest and any other amounts at any time owed under this Note is hereby expressly subordinated in right of payment, as herein set forth, to the prior payment in full of all Senior Indebtedness.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the Commonwealth of Virginia.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrower shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

[Signature Page to Follow]

IN WITNESS WHEREOF, Borrower caused this Note to be duly executed under seal by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

/s/ NOAH HERSHCOVIZ [SEAL]
By: NOAH HERSHCOVIZ
Date:

BORROWER:

[SEAL]
By:
Date:

STATE: Florida
COUNTY OF: Okaloosa

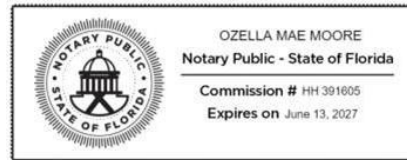
I hereby certify that on 04/30/2025, before me, the undersigned, Notary Public in and for the State of Florida, at large, personally appeared NOAH HERSHCOVIZ, individually and as the CEO of HUB CYBER SECURITY LTD. , A Domestic Israel Limited Liability Company (“Parent”) and its subsidiaries, Comsec Ltd, A Domestic Israel Limited Liability Company, and Comsec Distribution Ltd., A Domestic Israel Limited Liability Company, and HUB Cyber Security, Inc., A Domestic California Corporation known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the foregoing on behalf of himself individually, HUB CYBER SECURITY LTD. , A Domestic Israel Limited Liability Company (**“Parent”**) and its subsidiaries, Comsec Ltd, A Domestic Israel Limited Liability Company, and Comsec Distribution Ltd., A Domestic Israel Limited Liability Company, and HUB Cyber Security, Inc., A Domestic California Corporation for the purposes set forth therein.

produced Passport

Notarized remotely online using communication technology via Proof.

(Seal)
Notary Public /s/ Ozella Mae Moore

My Commission Expires: Registration Number:
06/13/2027 HH 391605



IN WITNESS WHEREOF, Borrower caused this Note to be duly executed under seal by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

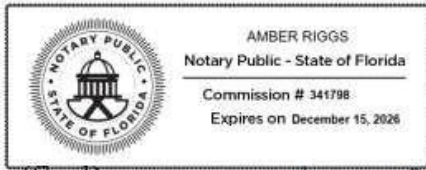
/s/ LIOR DAVIDSOHN [SEAL]
By: LIOR DAVIDSOHN
Date: 04/30/2025

BORROWER:

[SEAL]
By:
Date:

STATE: Florida
COUNTY OF: Bay County

I hereby certify that on 04/30/2025, before me, the undersigned, Notary Public in and for the State of Florida, at large, personally appeared LIOR DAVIDSOHN, individually and as the CFO of HUB CYBER SECURITY LTD. , A Domestic Israel Limited Liability Company (“Parent”) and its subsidiaries, Comsec Ltd, A Domestic Israel Limited Liability Company, and Comsec Distribution Ltd., A Domestic Israel Limited Liability Company, and HUB Cyber Security, Inc., A Domestic California Corporation known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the foregoing on behalf of himself individually, HUB CYBER SECURITY LTD. , A Domestic Israel Limited Liability Company (**“Parent”**) and its subsidiaries, Comsec Ltd, A Domestic Israel Limited Liability Company, and Comsec Distribution Ltd., A Domestic Israel Limited Liability Company, and HUB Cyber Security, Inc., A Domestic California Corporation for the purposes set forth therein.



(Seal)
Notary Public /s/ Amber Riggs
12/15/2026 341798
My Commission Expires: Registration Number:

Notarized remotely online using communication technology via Proof.

EXHIBIT E

PREPAYMENT AMENDMENT

Upon the prepayment of any principal amount, Borrower shall be obligated to pay a Prepayment Fee comprising make- whole premium payment on account of such principal so paid, which Prepayment Fee shall be equal to the aggregate and actual amount of interest (at the contract rate of interest) that would be paid through the Maturity Date

Calendar Days After Funding	Payoff Amount
30 Days	[**]
45 Days	[**]
60 Days	[**]

HUB CYBER SECURITY LTD.

July 14, 2025

[Name] (the “Investor”)

Re: Warrant Issuance

Dear Madam or Sir:

1. Reference is made to the private placement of ordinary shares and warrants conducted by Hub Cyber Security Ltd. (formerly Hub Cyber Security (Israel) Ltd.) (the “Company”) in April 2022 (the “Private Placement”).
 2. The Company understands, and the Investor hereby confirms, that in connection with the Private Placement the Investor was entitled to receive [] ordinary shares of the Company and warrants to purchase [] ordinary shares of the Company. The Company further understands, and the Investor hereby confirms, that the Investor received such ordinary shares but did not receive a warrant certificate and was unable to exercise the warrant. Accordingly, this letter agreement is intended to implement the issuance to the Investor of the warrant contemplated by the Private Placement.
 3. Please note that the Company effected a 0.712434 reverse split (0.712434-for-1) of its ordinary shares on February 28, 2023, a 0.1 reverse share split (1-for 10) of its ordinary shares on December 14, 2023 and a 0.1 reverse share split (1-for-10) of its ordinary shares on March 28, 2025. This automatically reduces the number of shares issuable under the Investor’s warrant. However, the Company will adjust the number of shares issuable under the warrant by a multiple increase of 22.3. Accordingly, the Company will issue to the Investor a warrant to purchase [] ordinary shares of the Company (the “Warrant”). The Warrant will have an exercise price of \$8.00 per share, payable in cash only, and a term of 18 months from the date of issuance. *[Addition for institutional investors: Notwithstanding the foregoing, if the closing price of the Company’s ordinary shares on the Nasdaq Stock Market (as reported on www.nasdaq.com) (or such other principal trading market of the Company’s ordinary shares at the time) equals or exceeds \$8.00 per share on any ten trading days in any period of 20 consecutive trading days, then the Warrant will automatically expire at the end of the 14th calendar day following such ten-day period, to the extent it was not previously exercised.]*
-

4. The Company hereby provides the Investor with the following updates:

- a) the Company consummated a merger with a Nasdaq-listed SPAC on February 28, 2023 and, as such, may be considered a former shell company under Rule 144(i) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”);
- b) the Company is currently listed on the Nasdaq Stock Exchange (“**Nasdaq**”) and is subject to the reporting obligations of the U.S. Securities Exchange Act of 1934 as amended (the “**Exchange Act**”);
- c) the Company is no longer listed on the Tel Aviv Stock Exchange;
- d) material information about the Company can be found in its 2024 annual report on Form 20-F and its subsequent filings with the Securities and Exchange Commission on Form 6-K;
- e) the authorized share capital of the Company consists of 100,000,000 Ordinary Shares, of which, 17,518,212 are issued and outstanding and approximately 35,000,000 shares are reserved for issuance under outstanding securities exercisable or exchangeable for, or convertible into, shares of Ordinary Shares; and
- f) the Company intends to list the shares underlying the Warrant on Nasdaq.

5. The Investor hereby represents and warrants to the Company as follows:

- a) the Investor is acquiring the Warrant, and upon exercise of the Warrant will acquire the underlying shares, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws;
- b) no general solicitation or general advertising in violation of the Securities Act has been or will be used;
- c) all offers and sales by the Investor of the Warrant or the underlying shares shall be made pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from, or a transaction not subject to the registration requirements of, the Securities Act;

- d) the Investor (i) is acquiring the Warrant and upon exercise of the Warrant will acquire the underlying shares outside the United States in an “offshore transaction” meeting the requirements of Regulation S under the Securities Act; (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 Warrant or the underlying shares 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 Investor or any of its representatives in connection with the offer and sale of the Warrant or the underlying shares; (iv) was outside the United States at the time of the origination of contact concerning the Private Placement and this letter agreement and on the date of execution and delivery of this letter agreement by the Investor; (v) is not acquiring the Warrant and will not acquire the underlying shares 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) and (vii) is the sole beneficial owner of the Warrant and the underlying shares and has not pre-arranged any sale with a purchaser in the United States; [INTERNAL NOTE: THIS PARAGRAPH (d) SHOULD NOT BE INCLUDED IN THE LETTER OF ANY INVESTOR THAT IS A U.S. RESIDENT.]
- e) The undersigned is an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act.
- f) The Investor is not a resident of Israel, and a majority of the Investor’s assets is not in Israel;
- g) The Investor is eligible to acquire the Warrant and the underlying shares pursuant to an exemption from the prospectus and registration requirements of the applicable securities laws of its jurisdiction (including country, state and/or province).
6. The shares issued upon exercise of the Warrant will be registered in the name of the Investor on the records of the Company’s transfer agent, Equiniti. The Warrant and the underlying shares will contain a restrictive legend substantially in the form set forth below:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

7. Certificates evidencing the shares underlying the Warrant shall not be required to contain the legend set forth in Section 6 above or any other legend (i) following any sale of such shares pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or an effective registration statement, (ii) in connection with a sale, assignment or other transfer under Rule 144 (provided that the Investor provides the Company with reasonable assurances that such share are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from the Investor or its broker reasonably required by the Company's transfer agent or legal counsel) or an effective registration statement, (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 from reputable counsel to the effect that such sale, assignment or transfer of the shares may be made without registration under the applicable requirements of the shares or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) trading days following the delivery by any Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 7, as directed by the Investor, credit the aggregate number of 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.
8. Effective upon the issuance of the Warrant, the Investor hereby waives any claims that it may have against the Company in connection with the Private Placement.
9. This letter shall be governed by the laws of the State of Israel and any disputes shall be adjudicated exclusively in the courts of Tel Aviv-Jaffa.

Very truly yours,

HUB CYBER SECURITY LTD.

By: _____
Noah Hershcoviz, CEO

The foregoing is agreed to as of the date above:

[Name]

By: _____
Name:
Title:

FORM OF WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

HUB CYBER SECURITY LTD.

WARRANT TO PURCHASE ORDINARY SHARES

Date of Issuance: July 14, 2025 (“**Issuance Date**”)

HUB Cyber Security Ltd., an Israeli company (the “**Company**”), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [____], the registered holder hereof or its permitted assigns (the “**Holder**”), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the “**Warrant**”), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), [____] (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the “**Warrant Shares**”).

This Warrant is issued to the Holder in connection with the private placement by the Company in April 2022 and the letter agreement between the Company and the holder dated as of the date hereof (the “**Letter Agreement**”). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter Agreement.

1. EXERCISE OF WARRANT.

(a) **Mechanics of Exercise.** Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(c)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the “**Exercise Notice**”), of the Holder’s election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the “**Aggregate Exercise Price**”) in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by email an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company’s transfer agent (the “**Transfer Agent**”). On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall, (i) *provided* that the Transfer Agent is participating in The Depository Trust Company (“**DTC**”) Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at the Holder’s request) and provided the legends would be eligible to be removed from such Ordinary Shares pursuant to Section 7 of the Letter Agreement, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares pursuant to Section 7 of the Letter Agreement, issue and deliver to the Holder or, at the Holder’s instruction pursuant to the Exercise Notice, the Holder’s agent or designee, in each case, sent to the address as specified in the applicable Exercise Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder’s DTC account or the date of delivery of the certificates or book entry positions evidencing such Warrant Shares (as the case may be). If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, “**Exercise Price**” means \$8.00 per Warrant Share, subject to adjustment as provided herein.

(c) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder “holds” or would “hold” (as defined for purposes of the Israeli Companies Law, 1999) or “beneficially owns” or would “beneficially own” (as defined for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), directly or indirectly, in excess of 4.99% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants (the “**Maximum Percentage**”). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, holdings and beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with the Israeli Companies Law, 1999 and with the Exchange Act, respectively, and the rules and regulations promulgated thereunder; in the event of a conflict between such two laws, the stricter one (i.e., the one resulting in a higher ownership percentage) shall govern. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant.

(d) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(e) Activity Restrictions. For so long as the Holder holds this Warrant or any Warrant Shares, the Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (b) a sale or transfer of a material amount of assets of the Company, (c) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (d) any material change in the present capitalization or dividend policy of the Company, (e) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (f) changes in the Company's memorandum or articles of association corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (g) a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (h) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (i) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(e); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, the Holder may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. The Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

(f) No Short Sales. The Holder covenants that through and including the first Trading Day following the full exercise or expiration of this Warrant, none of the Holder any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a "**Restricted Person**") shall, directly or indirectly, (i) engage in any "short sale" (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. During such time as this Warrant is outstanding, the Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{\text{th}}$ of cent and the nearest $1/100^{\text{th}}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if during such time as this Warrant is outstanding, the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (subject to the limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution.

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at during such time as this Warrant is outstanding the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the “**Purchase Rights**”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (subject to the limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights.

(b) Fundamental Transactions. During such time as this Warrant is outstanding, upon the consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property (together, the “**Fundamental Transaction Consideration**”), which the Holder would have been entitled to receive upon the closing of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (net of the exercise price at the closing of the applicable Fundamental Transaction); provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

(c) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the Exchange Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. [Reserved]

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144 under the Securities Act, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least two (2) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares or (B) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least two (2) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(c)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder or of the holders of a majority of the outstanding warrants (measured by the number of shares issuable upon exercise thereof) issued pursuant to private allocation agreements and letter agreements substantially similar to the Allocation Agreement and the Letter Agreement, provided that the Company may lower the Exercise Price or extend the Expiration Date without the consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Israel or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Israel. The Company hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv-Jaffa, 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.

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the Allocation Agreement or the Letter Agreement shall have the meanings ascribed to such terms in such agreements, unless otherwise consented to in writing by the Holder.

13. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant, the Allocation Agreement and the Letter Agreement, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

14. TRANSFER. This Warrant may not be offered for sale, sold, transferred or assigned without the consent of the Company.

15. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) “**Business Day**” means any day other than Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(b) “**Convertible Securities**” means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(c) “**Eligible Market**” means the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market.

(d) “**Expiration Date**” means the date that is eighteen months after the Issuance Date. *[Addition for institutional investors: Notwithstanding the foregoing, if the closing price of the Ordinary Shares on the Nasdaq Stock Market (as reported on www.nasdaq.com) (or the principal securities exchange or securities market on which the Ordinary Shares are then traded) equals or exceeds \$8.00 per share (as adjusted for share splits, reverse share splits, share dividends and the like) on any ten Trading Days in any period of 20 consecutive Trading Days, then the Expiration Date shall be accelerated to the end of the 14th calendar day following such ten-day period.]* If the Expiration Date falls on a day other than a Trading Day, then the Expiration Date shall be deferred to the next Trading Day.

(e) “**Fundamental Transaction**” means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act and the rules and regulations promulgated thereunder) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company.

(f) “**Options**” means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(g) “**Ordinary Shares**” means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(h) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(i) “**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.

(j) “**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.

(k) “**Trading Day**” means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares 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.

(l) “**Voting Stock**” of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB Cyber Security Ltd.

By: _____
Name: _____
Title: _____

EXHIBIT A

**EXERCISE NOTICE
TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE ORDINARY SHARES**

HUB CYBER SECURITY LTD.

The undersigned holder of the attached warrant (the “**Warrant**”) hereby exercises the right to purchase in respect of _____ Ordinary Shares (“**Warrant Shares**”) of HUB Cyber Security Ltd., an Israeli company (the “**Company**”). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. The Holder shall pay the Aggregate Exercise Price in the sum of \$_____ to the Company in accordance with the terms of the Warrant.
2. Delivery of Warrant Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby.
3. Number of Ordinary Shares “held” (as defined for purposes of the Israeli Companies Law, 1999, as amended) by the undersigned prior to this proposed exercise of the Warrant: _____

Date: _____, _____

Name of Registered Holder

By: _____
Name:
Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20____, from the Company and acknowledged and agreed to by _____.

HUB Cyber Security Ltd.

By: _____

Name: _____

Title: _____

[FORM OF] SUBSCRIPTION AGREEMENT

This **SUBSCRIPTION AGREEMENT** (the “**Agreement**”), dated as of [], 2025 (the “**Execution Date**”), is between HUB Cyber Security Ltd., an Israeli company (the “**Company**”), and [] (the “**Investor**”).

RECITALS

A. The Company and the Investor are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded Regulation S (“**Regulation S**”) under the Securities Act of 1933, as amended (the “**1933 Act**”), as promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the 1933 Act.

B. The Investor wishes to purchase, and the Company wishes to sell, upon the terms and subject to the conditions stated in this Agreement, Ordinary Shares pursuant to the terms set forth herein (such Ordinary Shares, the “**Purchased Shares**”).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor hereby agree as follows:

1. PURCHASE AND SALE OF ORDINARY SHARES.

(a) Securities. The Company shall issue and sell to the Investor, and the Investor shall purchase from the Company on the Closing Date (as defined below), that number of Purchased Shares set forth on the Investor’s signature page hereto on the line entitled “Number of Purchased Shares” for the aggregate principal amount as set forth on the Investor’s signature page hereto on the line entitled “Closing Purchase Price” (such amount, the “**Purchase Price**”).

(b) Closing. The aforementioned issuances, sales and deliveries of the Purchased Shares shall take place on the date hereof (the “**Closing**” and such date, the “**Closing Date**”).

(c) Payment of Purchase Price; Delivery of Securities. The Investor shall pay the Purchase Price at the Closing by wire transfer of immediately available funds to the Company pursuant to written wire instructions to be provided by the Company in writing. Upon the receipt of the funds, the Company shall instruct its transfer agent to register the Purchased Shares in the name of the Investor.

2. INVESTOR’S REPRESENTATIONS AND WARRANTIES.

The Investor represents and warrants to the Company, on behalf of itself, that:

(a) No Public Sale or Distribution. The Investor is acquiring the Purchased Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, the Investor does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. The Investor does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(b) Investor Status. The Investor:

(i) (A) is not a “U.S. Person” (as defined in Rule 902 of Regulation S), (B) is acquiring the Securities outside the United States in an offshore transaction meeting the requirements of Regulation S; (C) is not acquiring, has not offered, and will not offer prior to the expiration of the applicable compliance period pursuant to Rule 903 of Regulation S, the Securities for the account or benefit of any U.S. Person; (D) did not become aware of the Company or the Securities through any form of “directed selling efforts” (as defined in Rule 902 of Regulation S), and no general solicitation or general advertising in violation of the 1933 Act has been or will be used nor will any offers by means of any directed selling efforts in the United States be made by the Investor or any of its representatives in connection with the offer and sale of any of the Securities; (E) was outside the United States at the time of the origination of contact concerning the transactions contemplated by this Agreement and on the date of execution and delivery of this Agreement by Investor; (F) 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 1933 Act; (G) agrees that all offers and sales by the Investor of Securities shall be made pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from, or a transaction not subject to the registration requirements of, the Securities Act; (H) is neither a U.S. Person nor a Distributor (as defined in Rule 902 of Regulation S); and (I) is the sole beneficial owner of the Securities specified on the signature pages hereto and has not pre-arranged any sale with a purchaser in the United States;

(ii) is an “accredited investor” (as defined in Rule 501(a) of Regulation D) (an “Accredited Investor”) and is not subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under Regulation D; and

(iii) if it is in a jurisdiction that is specifically identified in “Schedule 4 – Foreign Jurisdiction Representations” (“**Schedule 4**”) of the Master ECM Terms dated 13 March 2024 (the “**Master ECM Terms**”) available at the AFMA website at <https://afma.com.au/standards/standard-documentation> (other than the United States), is (A) a Person to whom Securities may lawfully be offered and issued in compliance with applicable laws of that jurisdiction without lodgment, registration or other formality or filing with or by a Government Agency, and (B) a Person described in the Foreign Jurisdiction Representation (as defined in the Master ECM Terms) set out in “Section 5A – Additional Foreign Jurisdiction Representations – Jurisdictions other than the United States” of Schedule 4 of the Master ECM Terms for that jurisdiction applies (and which applicable Foreign Jurisdiction Representation is imported by reference in to this Agreement – which the Investor warrants it has read and understood).

(c) Ownership Limitation. The Investor is not, and as a result of the purchase of the Securities will not become, directly or indirectly (via brokers, affiliates, contracts or otherwise) a holder (as defined under the Israel Companies Law, 5759-1999) of five percent (5%) or more of the outstanding share capital of the Company.

(d) Reliance on Exemptions. The Investor understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the Securities.

(e) Information. The Investor and its advisors, if any, acknowledge that they have been furnished with or have access via the SEC's EDGAR website to the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K as well as Registration Statements on Form F-1 or F-4 (including amendments thereto). The Investor and its advisors, if any, have been afforded the opportunity to ask questions of, and receive answers from, the Company concerning the offer and sale of the Securities and to obtain any additional information the Investor has requested which is necessary to verify the accuracy of the information furnished to the Investor concerning the Company and such offering. The Investor understands that its investment in the Securities involves a high degree of risk. The Investor has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities. The Investor acknowledges that the Investor is basing its decision to invest in the Securities solely upon the information contained in the Transaction Documents, the Company's most recent Annual Report on Form 20-F, if any, and Reports of Foreign Private Issuers on Form 6-K, if any, and its own due diligence and, except as specifically set forth in this Agreement, has not based its investment decision upon any representations made by any Person (as defined below).

(f) No Governmental Review. 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 Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. The Investor understands, that except as provided in Section 4(i) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) the Investor shall have delivered to the Company (if requested by the Company) an opinion of counsel to the Investor, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) the Investor provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule thereto) ("**Rule 144**") or another applicable exemption; and (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity, Enforcement. The execution and delivery of this Agreement and the other Transaction Documents and the consummation by the Investor of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of the Investor and no further consent or authorization of the Investor or its members is required. Each Transaction Document has been duly executed by the Investor and when delivered in accordance with terms hereof constitutes the legal, valid and binding obligations of the Investor enforceable against the Investor in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by the Investor of each of the Transaction Documents 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, (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.

(j) Experience of Investor. The Investor has such knowledge, sophistication and experience in business and financial matter so as to be capable of evaluating the merits and risks of the prospective investment in the Securities and has so evaluated the merits and risks of such investment. The Investor is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(k) Foreign Corrupt Practices. Neither the Investor nor any of its subsidiaries or affiliates, nor, to the knowledge of the Investor, any director, officer, agent, employee, member or other Person acting on behalf of the Investor or any its subsidiaries or affiliates has, in the course of its actions for, or on behalf of, the Investor or any of its subsidiaries or affiliates (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any foreign or domestic government official or employee.

(l) General Solicitation. The Investor is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or advertisement.

(m) Patriot Act Representations.

(i) The Investor represents that all evidence of identity provided is genuine and all related information furnished is accurate.

(ii) The Investor hereby acknowledges that the Company seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of such efforts, the Investor hereby represents and agrees that: (A) no part of the funds used by the Investor to acquire the Securities have been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations; and (B) no payment to the Company by the Investor shall cause the Company to be in violation of any applicable anti-money laundering laws and regulations including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Executive Order 13224 (2001) (the “Patriot Act”) issued by the President of the United States and the U.S. Department of the Treasury Office of Foreign Assets Control (“OFAC”) regulations.

(iii) The Investor represents and warrants that the amounts to be paid by the Investor to the Company will not be directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. The Investor represents and warrants that, to the best of its knowledge, none of: (A) the Investor; (B) any Person controlling or controlled by the Investor; or (C) any Person having a beneficial interest in the Investor is (I) a country, territory, individual or entity named on a list maintained by OFAC, (II) a Person prohibited under the OFAC Programs, (III) a senior foreign political figure,¹ or any immediate family member² or close associate³ of a senior foreign political figure as such terms are defined in the footnote below or (IV) a “foreign shell bank” within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. §5311 et seq.), as amended (the “Bank Secrecy Act”) and the regulations promulgated thereunder by the U.S. Department of the Treasury.

(iv) The Investor further represents and warrants that the Investor: (A) has conducted thorough due diligence with respect to all of its beneficial owners, (B) has established the identities of all beneficial owners and the source of each of the beneficial owner’s funds and (C) will retain evidence of any such identities, any such source of funds and any such due diligence.

¹ A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

² “Immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.

³ A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(v) Neither the Investor nor any Person directly or indirectly controlling, controlled by or under common control with the Investor is a person identified as a terrorist organization on any relevant lists maintained by governmental authorities.

(vi) The Investor agrees to provide the Company all information that may be reasonably requested to comply with applicable laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of the Investor from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information. The Investor agrees to notify the Company promptly if there is any change with respect to the representations and warranties provided herein. The Investor consents to the disclosure to regulators and law enforcement authorities by the Company and its affiliates and agents of any information about the Investor or its constituents as the Company reasonably deems necessary or appropriate to comply with applicable anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Investor as follows:

(a) Organization and Qualification. Each of the Company and each of its subsidiaries are (i) entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed (to the extent such concept exists in the applicable jurisdiction), and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and (ii) is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction (to the extent such concept exists in the applicable jurisdiction) in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been (i) duly authorized by the Company's board of directors and (ii) no further filing, consent or authorization is required by the Company, its board of directors or its shareholders or other governing body of the Company (other than the filing of required notice to the Principal Market of the issuance and sale of the Securities). This Agreement has been, and the other Transaction Documents will be prior to Closing, duly executed and delivered by the Company, and constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

(c) Issuance of Securities. The issuance of the Securities is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, Liens, charges and other encumbrances with respect to the issue thereof. Subject to the accuracy of the representations and warranties of the Investor in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act. Upon issuance in accordance with the terms of this Agreement, Investor will have good and marketable title to the Securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) result in a violation of the Articles of Association of the Company or other organizational documents of the Company or any of its subsidiaries, any capital stock of the Company or any of its subsidiaries or bylaws or operating agreements of the Company or any of its subsidiaries, (ii) result in a violation of any law, rule, regulation, order, judgment or decree, except, in the case of this clause (ii), to the extent such violations that could not reasonably be expected to have a Material Adverse Effect, or (iii) result in a violation of any material contract or agreement, lease, license or commitment to which the Company is a party or by which it is bound.

(e) Shell Company Status. The Company is not, but was in the past, an issuer identified in, or subject to, Rule 144(i).

4. COVENANTS.

(a) Use of Proceeds. The Company shall use the proceeds from the Purchase Price for general corporate purposes.

(b) Listing. The Company shall secure the listing or designation for quotation (as the case may be) of all of the Purchased Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Ordinary Shares are then listed or designated for quotation (as the case may be) so that all such Purchased Shares may be traded on the foregoing, subject to official notice of issuance. The Company shall use commercially reasonable efforts to maintain the Ordinary Shares' listing or designation for quotation (as the case may be) on the Principal Market, The New York Stock Exchange or the NYSE Amex (each, an "**Eligible Market**"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Ordinary Shares on an Eligible Market.

5. TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent in a form acceptable to the Investor to issue certificates or credit shares to the applicable balance accounts at The Depository Trust Company (“DTC”), registered in the name of the Investor for the Purchased Shares. The Company represents and warrants that no instruction other than such irrevocable transfer agent instructions referred to in this Section 5(a), and stop transfer instructions to give effect to Section 2(h) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If the Investor effects a sale, assignment or transfer of the Securities in accordance with Section 2(h), 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 Securities sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144 or another exemption from registration, the transfer agent shall issue such shares to the Investor, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(c) below. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Investor. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that 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. Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(b) Legends. The Investor understands that the Securities have not been registered under the 1933 Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144 or pursuant to another exemption from the registration requirements of the 1933 Act, and except as set forth below, the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

[NEITHER THE ISSUANCE AND SALE OF THE SECURITY REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN] [THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(c) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(b) above or any other legend (i) while a registration statement covering the resale of such Securities is effective under the 1933 Act (provided that the Investor provides the Company with any certificates from the Investor or its broker reasonably required by the Company's transfer agent), (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company) or a registration statement, (iii) in connection with a sale, assignment or other transfer under Rule 144 (provided that the Investor provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144, which shall not include an opinion of counsel, but which may include any certificates from the Investor or its broker reasonably required by the Company's transfer agent), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Investor provides the Company with an opinion of counsel to the Investor from reputable counsel to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than five (5) Trading Days following the delivery by any Investor to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from the Investor as may be required above in this Section 5(c), as directed by the Investor, 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.

(d) Manner of Sale. The Investor agrees with the Company that the Investor will sell any Securities pursuant to either the registration requirements of the 1933 Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 5 is predicated upon the Company's reliance upon this understanding.

6. TERMINATION.

In the event that the Closing shall not have occurred within ten (10) days after the date hereof (the "**Expiration Date**"), then this Agreement shall terminate with respect to the Investor on the close of business on the Expiration Date without liability to any party; provided, however, that the right to terminate this Agreement under this Section 6 shall not be available to the Investor if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of the Investor's breach of this Agreement. Notwithstanding anything to the contrary above, nothing contained in this Section 6 shall be deemed to release any party hereto from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party hereto to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

7. CERTAIN DEFINITIONS

(a) Business Day. "**Business Day**" means any day other than a Friday, Saturday, Sunday or other day on which commercial banks in New York, New York or Israel are authorized or required by law to remain closed.

(b) Lien. “**Lien**” means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the 1933 Act and state securities laws), encroachment, tax, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

(c) Material Adverse Effect. “**Material Adverse Effect**” means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents or (iii) the authority or ability of the Company or any of its subsidiaries to perform any of its respective obligations under this Agreement or any of the other Transaction Documents.

(d) Ordinary Shares. “**Ordinary Shares**” means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(e) Person. “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(f) Principal Market. “**Principal Market**” means the Nasdaq Stock Market; provided however, that in the event the Ordinary Shares are ever listed or traded on the New York Stock Exchange or the NYSE American, then the “Principal Market” shall mean such other market or exchange on which the Ordinary Shares is then listed or traded.

(d) Securities. “**Securities**” means the Purchased Shares.

(g) Subsidiaries. “**Subsidiary**” or “**subsidiary**” means with respect to a Person, any Person in which that other Person, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person; provided, that a Person shall not be deemed a subsidiary pursuant to clauses (I) or (II) unless the Person, directly or indirectly, owns at least 51% of any of the outstanding capital stock or holds at least 51% of any equity or similar interest of such Person.

(h) Trading Day. “**Trading Day**” means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that “Trading Day” shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The Nasdaq Stock Market (or any successor thereto) is open for trading of securities.

(j) Transaction Documents. “**Transaction Documents**” means, collectively, this Agreement 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.

8. MISCELLANEOUS.

(a) Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Israel or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Israel. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

(i) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party hereto and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) 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.

(b) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties hereto as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties hereto or the practical realization of the benefits that would otherwise be conferred upon the parties hereto. The parties hereto will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(k) Entire Agreement; Amendments. This Agreement and the other Transaction Documents and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Investor, the Company, its affiliates and Persons acting on its behalf solely with respect to the matters contained herein and therein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties hereto solely with respect to the matters covered herein and therein. Except as specifically set forth herein or therein, neither the Company nor the Investor makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Investor. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. As a material inducement for the Investor to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by the Investor, any of its advisors or any of its representatives shall affect the Investor's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or in any of the other Transaction Documents.

(c) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iii) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

HUB Cyber Security Ltd.
2 Kaplan Street
Tel Aviv 6721117, Israel
Tel: +972-3-791-3200
Email Address: Noah Hershcoviz, Chief Executive Officer
Attention: [*]

With a copy (for informational purposes only) to:

Goldfarb, Gross, Seligman & Co.
One Azrieli Center, Round Building
Tel-Aviv 67021, Israel
Attention: Adam M. Klein; Ephraim Friedman
Email: adam.klein@goldfarb.com; ephraim.friedman@goldfarb.com

If to the Investor:

See the Investor's signature page hereto

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication or (B) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (i) or (iii) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (ii) above.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and its successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Investor.

(e) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and its permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(f) Survival. The representations, warranties, agreements and covenants shall survive the Closing until the applicable statute of limitations.

(g) Further Assurances. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

(d) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Ordinary Shares and any other numbers in this Agreement that relate to the Ordinary Shares shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Ordinary Shares after the date of this Agreement.

(.) Currency. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement are in United States Dollars ("U.S. Dollars"), and all amounts owing under this Agreement 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.

[signature pages follow]

IN WITNESS WHEREOF, the Investor and the Company have caused its signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

HUB CYBER SECURITY LTD.

By: _____
Name: Noah Hershcoviz and Lior Davidsohn
Title: CEO and CFO

IN WITNESS WHEREOF, the Investor and the Company have caused its signature page to this Agreement to be duly executed as of the date first written above.

Name of Investor:

Address for Notice to Investor:

Email Address for Notice to Investor:

Number of Purchased Shares:

Purchase Price: \$[●], which is based on a per share price of \$[●].

[FORM OF PRE-FUNDED WARRANT]

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

HUB CYBER SECURITY LTD.

WARRANT TO PURCHASE ORDINARY SHARES

Date of Issuance: [], 2025 (“**Issuance Date**”)

HUB Cyber Security Ltd., an Israeli company (the “**Company**”), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Claymore Capital Pty Ltd, the registered holder hereof or its permitted assigns (the “**Holder**”), is entitled, subject to the terms set forth below, to purchase from the Company, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the “**Warrant**”), at any time or times on or after the Issuance Date, 280,000 (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the “**Warrant Shares**”).

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(c)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as Exhibit A (the “**Exercise Notice**”), of the Holder’s election to exercise this Warrant. The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall instruct its transfer agent (the “**Transfer Agent**”), (i) *provided* that the Transfer Agent is participating in The Depository Trust Company (“**DTC**”) Fast Automated Securities Transfer Program (which the Company shall cause the Transfer Agent to do at Holder’s request) and provided the legends would be eligible to be removed from such Ordinary Shares in the discretion of the Company, upon the request of the Holder, to credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its Deposit/ Withdrawal at Custodian system, or (ii) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program or the legends would not be eligible to be removed from such Ordinary Shares in the discretion of the Company, to issue and deliver to the Holder or, at the Holder’s instruction pursuant to the Exercise Notice, the Holder’s agent or designee, in each case, sent to the address as specified in the applicable Exercise Notice, a certificate or book entry position, in the name of the Holder or its designee (as indicated in the applicable Exercise Notice), for the number of Ordinary Shares to which the Holder is entitled pursuant to such exercise. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder’s DTC account or the date of delivery of the certificates or book entry positions evidencing such Warrant Shares (as the case may be). If the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 5(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) No Exercise Price. This Warrant is pre-funded and may be exercised by the Holder, in whole or in part from time to time, for no consideration, subject to the Maximum Percentage.

(c) Limitations on Exercises and Exchanges. Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder would hold (as defined for purposes of the Israeli Companies Law, 1999) or beneficially own (as defined for purposes of Section 13(d) of the 1934 Act) in excess of 4.99% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrant (the “**Maximum Percentage**”). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, share holdings and all determinations and calculations (including, without limitation, with respect to calculations of percentage of holdings) shall be determined in accordance with the Israeli Companies Law, 1999 and with the U.S. Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder; in the event of a conflict between such two laws, the stricter one shall govern. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares. The Maximum Percentage limitation shall not apply to the Holder if the Warrant is exercised and the Ordinary Shares are issued concurrently with the sale or cancellation of such Ordinary Shares upon the closing of an Exit Transaction.

(d) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company’s obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to the maximum number of Warrant Shares issuable to satisfy the Company’s obligation to issue Ordinary Shares hereunder.

(e) Activity Restriction. For so long as the Holder holds this Warrant or any Warrant Shares, the Holder will not acquire additional securities of the Company, alone or together with any other Person, which, following the acquisition thereof, would result in holding, directly or indirectly, more than the Maximum Percentage, and any Ordinary Shares held by the Holder in excess thereof shall be dormant shares. For the avoidance of any doubt, the Holder may vote any Ordinary Shares held or controlled by it up to the Maximum Percentage, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company, in its sole discretion.

(f) No Short Sales. The Holder covenants that through and including the first Trading Day following the full exercise or termination of this Warrant, none of the Holder or any of its officers, or any entity managed or controlled by the Holder (each of the foregoing, a “**Restricted Person**”) shall, directly or indirectly, (i) engage in any “short sale” (as such term is defined in Rule 200 of Regulation SHO of the 1934 Act) of the Ordinary Shares or (ii) engage in any hedging transaction, which establishes a net short position with respect to any securities of the Company (including the Ordinary Shares), with respect to each of clauses (i) and (ii) hereof, either for its own principal account or for the principal account of any other Restricted Person.

2. ADJUSTMENT TO NUMBER OF WARRANT SHARES. During such time as this Warrant is outstanding, the number of Warrant Shares issuable upon exercise of this Warrant is subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. If the Company, at any time on or after the Issuance Date of this Warrant, (i) distributes a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the number of Warrant Shares that may be issued upon exercise of this Warrant shall be increased or decreased proportionately, as the case may be. Any of the adjustments set forth above shall become effective immediately after the effective date of the applicable event.

(b) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest 1/100th of a share. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

3. NONCIRCUMVENTION. During such time as this Warrant is outstanding, the Company hereby covenants and agrees that the Company will not, by amendment of its articles of association or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (ii) shall, so long as the Warrant is outstanding, take all actions necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the Warrant, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the Warrant then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(c).

4. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

5. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 5(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 5(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144 under the Securities Act, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 5(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 5(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 5(a) or Section 5(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

6. NOTICES. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the number of Warrant Shares in accordance with the terms of this Warrant, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least two (2) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any rights to purchase shares, warrants, securities, indebtedness or other property pro rata to the holders of Ordinary Shares or (C) for determining rights to vote with respect to any Exit Transaction, dissolution or liquidation, provided in each case that such information, to the extent it constitutes, or contains, material, non-public information regarding the Company, shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least two (2) Trading Days prior to the consummation of any Exit Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company. The Holder's address for the provision of notices to the Holder shall be provided in writing by the Holder to the Company, to the attention of its general counsel.

7. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder, provided that the Company may extend the Expiration Date without the consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

8. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

9. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of Israel, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of Israel. The Company hereby irrevocably submits to the exclusive jurisdiction of the courts of Tel Aviv, Israel, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to enforce a judgment or other court ruling in favor of the Holder.

10. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

11. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

12. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned by the Holder without the consent of the Company, provided that such sale, transfer or assignment of any of the Company's securities represented hereunder shall not be effected (i) in the absence of (a) an effective registration statement under the Securities Act of 1933, as amended, or applicable state securities laws, or (b) an opinion of counsel to the Holder, if requested by the Company, from reputable counsel, that registration is not required under such laws; or (ii) unless sold or eligible to be sold pursuant to Rule 144 under said Act.

13. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in the United Kingdom or Israel are authorized or required by law to remain closed.

(b) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(c) "**Expiration Date**" means the date that is five years after the Issuance Date or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday, provided, however, that the Expiration Date shall be accelerated to the date of closing of an Exit Transaction.

(d) “**Exit Transaction**” means a share purchase, merger or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person(s) whereby (i) such other Person(s) acquire (or otherwise becomes the holder, directly or indirectly, of) more than 80% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person(s) or other Person(s) making or party to, or associated or affiliated with the other Person(s) making or party to, such transaction) and (ii) the Company ceases to be a public company for purposes of the Israeli Companies Law, 1999.

(e) “**Options**” means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(f) “**Ordinary Shares**” means the ordinary shares, no par value per share, of the Company and any other shares issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Ordinary Shares).

(g) “**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.

(h) “**Principal Market**” means the Nasdaq Stock Market or, if such market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded.

(i) “**Trading Day**” means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, 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.

(j) “**Voting Stock**” of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

[Signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

HUB CYBER SECURITY LTD.

By: _____
Name: Noah Hershcoviz and Lior Davidsohn
Title: CEO and Interim CFO

Acknowledged and agreed:

CLAYMORE CAPITAL PTY LTD

By: _____
Name: _____
Title: _____

[Signature page to Warrant to Purchase Ordinary Shares]

EXHIBIT A

EXERCISE NOTICE

**TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE ORDINARY SHARES**

HUB CYBER SECURITY LTD.

The undersigned holder of the attached warrant (the “**Warrant**”) hereby exercises the right to purchase in respect of _____ Ordinary Shares (“**Warrant Shares**”) of HUB Cyber Security Ltd., an Israeli company (the “**Company**”). The undersigned holder hereby represents that the issuance of the Warrant Shares will not cause the undersigned holder’s holdings in the Company’s Ordinary Shares to exceed the Maximum Percentage, as defined in Section 1(c) of the Warrant, based on the number of outstanding Ordinary Shares provided to the holder by the Company in writing.

Date: _____ ,

Name of Registered Holder

By: _____
Name: _____
Title: _____

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

HUB CYBER SECURITY LTD.

By: _____
Name: _____
Title: _____

THIS CONVERTIBLE PROMISSORY NOTE (AS MAY BE AMENDED FROM TIME TO TIME, THIS “**NOTE**”) AND THE SECURITIES INTO WHICH IT MAY BE CONVERTED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF REGISTRATION OF THE RESALE THEREOF OR EXEMPTION UNDER THE SECURITIES ACT.

CONVERTIBLE PROMISSORY NOTE

Aggregate Principal Amount: \$1,500,000

Dated as of August 20, 2025

WHEREAS, Seven Knots, LLC, a Montana limited liability company (the “**Holder**”) entered into a Note Purchase Agreement with Tamas Gottdiener, dated August 20, 2025, with a purchase price of \$14,054,165 (the “**Gottdiener NPA**”), pursuant to which the Holder agreed to purchase convertible notes (the “**Gottdiener Notes**”) issued by Hub Cyber Security Ltd., a company incorporated under the laws of the State of Israel (the “**Company**”), having an aggregate principal amount plus accrued interest equal to said amount;

WHEREAS, the Gottdiener Notes had reached the maturity date thereof, and the Company requested that the Holder purchase them in order to avoid a default;

WHEREAS, the Company has agreed to issue this Note to the Holder as full compensation for entering into the Gottdiener NPA, and the Holder desires to accept this Note;

WHEREAS, the Company acknowledges that the acceptance of this Note does not in any way prejudice any rights belonging to the Holder under the Gottdiener Note;

NOW, THEREFORE, FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, the Company hereby promises to pay to the Holder, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) or such lesser amount as shall remain unpaid under this Note on the Maturity Date (as defined herein), provided, however, that subject to Section 10, all payments on this Note shall be made by way of conversion into Ordinary Shares of the Company, no par value (“**Ordinary Shares**”).

1. **Principal; Conversion.** Subject to Sections 9 and 10, the entire unpaid principal balance of this Note shall be due and payable on August 20, 2026 (the “**Maturity Date**”) by way of conversion into a number of Ordinary Shares, at a price of \$3.00, provided, however, that at any time, at the option of the Holder, the Holder may convert (each, an “**Alternate Optional Conversion**”) all, or any part, of this Note into Ordinary Shares at the Alternate Optional Conversion Price, subject to Section 10e. The lower price shall be referred to herein as the “**Conversion Price**.”

“**Alternate Optional Conversion Price**” means that price which shall be the lower of (i) the Conversion Price as in effect on the applicable conversion date of the applicable Alternate Optional Conversion, and (ii) 95% of the lowest VWAP of the Ordinary Shares during the five (5) 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**”), provided that in each case the Conversion Price shall not be lower than twenty percent (20%) of the closing sale price reported by the Nasdaq Stock Market on the issuance date of this Note. 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.

“**VWAP**” means, for any security as of any date, the dollar volume-weighted average price for such security on the Nasdaq Stock Market (or, if the Nasdaq Stock 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 25. All such determinations shall be appropriately adjusted for any share dividend, share split, share combination, recapitalization or other similar transaction during such period.

“**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 Nasdaq Stock Market, or, if the Nasdaq Stock 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.

Under no circumstances shall any individual, including but not limited to any officer, director, employee or equityholder of the Company, be obligated personally for any obligations or liabilities of the Company hereunder.

2. Reserved.

3. Holder Redemption Right. At any time on or after the issuance date of this Note, 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 (each, an “**Equity Line**”) 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 other notes issued by the Company that the Company is required to redeem, in whole or in part, with proceeds of the such Equity Line Transaction pursuant to the terms of the applicable Equity Line) the Holder’s pro rata amount of 33% of the net proceeds of such Eligible Equity Line Transaction by delivering written notice thereof to the Company. The redemption price shall be 110% of amount of the Note being redeemed.

4. Reserved.

5. Security. This Note is a general unsecured obligation of the Company.

6. Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder as of the date hereof as follows:

a. Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

b. Due Authorization. All corporate action on the part of the Company’s directors and shareholders necessary for the authorization, execution, delivery of, and the performance of all obligations of the Company under this Note has been taken and this Note constitutes the valid and legally binding obligations of the Company, enforceable against the Company in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditor’s rights generally and (ii) general principles of equity.

c. Corporate Power. The Company has the requisite corporate power and authority to execute and deliver this Note to the Holder and to issue, and carry out and perform all of its obligations under, this Note.

d. Valid Issuance.

i. The Conversion Shares, when issued in accordance with the terms of this Note, will be duly and validly issued, fully paid and nonassessable and will be free of any liens, encumbrances, or restrictions on transfer other than restrictions on under applicable state and federal securities laws or as contemplated thereby.

ii. Assuming the accuracy of the representations made by the Holder in Section 7, the offer and sale of the Note and the Conversion Shares to the Holder in accordance with this Note are exempt from the registration and prospectus delivery requirements of the Securities Act, and the securities registration and qualification requirements of the currently effective provisions of the securities laws of the states in which the Holder is resident based upon its addresses set forth on the signature page, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

7. Representations, Warranties and Certain Agreements of the Holder. The Holder hereby represents and warrants to the Company as of the date hereof as follows:

a. Organization, Good Standing and Qualification. The Holder is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

b. Authorization. This Note constitutes the Holder's valid and legally binding obligation, enforceable in accordance with its terms except as may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditor's rights generally and (ii) general principles of equity. The Holder represents that it has full power and authority to enter into this Note.

c. Purchase for Own Account. This Note and the Conversion Shares, if and when acquired, are being acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the public resale or distribution thereof within the meaning of the Securities Act, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same.

d. Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to this Note and the Conversion Shares. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Note and the Conversion Shares and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Holder or to which the Holder had access. The foregoing, however, does not in any way limit or modify the representations and warranties made by the Company in Section 6.

e. Investment Experience. The Holder understands that the purchase of this Note and the Conversion Shares involves substantial risk. The Holder also understands that there can be no assurances that the Company will be able to repay this Note. The Holder has experience as an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment in this Note and the Conversion Shares and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this investment in this Note and the Conversion Shares and protecting its own interests in connection with this investment.

f. Accredited Investor Status. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

g. Restricted Securities. The Holder understands that this Note and the Conversion Shares are characterized as “restricted securities” under the Securities Act and Rule 144 promulgated thereunder inasmuch as they are being acquired from the Company in a transaction not involving a public offering, and that under the Securities Act and applicable regulations thereunder such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, the Holder represents that it is familiar with Rule 144 of the SEC, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. The Holder understands that the Company is under no obligation to register this Note or the Conversion Shares.

h. No Solicitation. At no time was the Holder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of this Note or the Conversion Shares.

i. Legends. It is understood that the certificates or book entries evidencing the Conversion Shares will bear (1) any legend required by the laws of the State of Delaware, including any legend required by the General Corporation Law of the State of Delaware, or any other state securities law and (2) the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

j. No “Bad Actor” Disqualification. No “bad actor” disqualifying event is applicable to the Holder. The Holder has exercised reasonable care to determine whether any disqualification event is applicable to the Holder.

8. **Events of Default**. Each of the following shall constitute an event of default (“*Event of Default*”):

a. Failure to Pay. The Company’s failure to pay all or a portion of the unpaid principal balance of this Note to the Holder when due, whether at maturity, as a result of acceleration or otherwise.

b. Voluntary Bankruptcy. The commencement by the Company or any of its Significant Subsidiaries (as defined below) of a voluntary case under any applicable bankruptcy, insolvency, reorganization, rehabilitation or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or any of its Significant Subsidiaries or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Company or any of its Significant Subsidiaries generally to pay its debts as such debts become due, or the taking of corporate action by the Company or any of its Significant Subsidiaries in furtherance of any of the foregoing. As used herein, “*Significant Subsidiary*” shall have the meaning set forth in Article I, Rule 1-02(w) of Regulation S-X promulgated by the SEC (or any successor rule); provided, that in each instance in such definition in which the term “10 percent” is used, the term “5 percent” shall be substituted therefor.

c. Involuntary Bankruptcy. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company or any of its Significant Subsidiaries in an involuntary case under any applicable bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or any of its Significant Subsidiaries or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

d. Change of Control. (i) The majority of the board of directors of the Company has changed within a 12-month period unless a majority of the directors then in office endorsed the appointment or election of the new directors or (ii) the Company consummates a sale, lease or transfer of all or substantially all of the assets, lines of business or divisions of the Company and its subsidiaries in a single transaction or series of related transactions, taken as a whole, to any person or persons, other than solely to one or more of the Company’s wholly owned subsidiaries; provided, that, in no event shall the consummation of any transaction with the Holder or any of its affiliates constitute an Event of Default pursuant to this Section 8.d.

e. Delisting of the Company's Ordinary Shares. At any time after the date hereof, the ordinary shares, no par value, of the Company ("**Ordinary Shares**") are no longer listed, or is suspended from trading for a period of five (5) or more consecutive trading days, on any national securities exchange.

f. Representations and Warranties. Any representation or warranty made by the Company in this Note shall be untrue or incorrect in any material respect as of the date when made or deemed made.

g. Breach. The Company's failure to observe or perform in all material respects any covenant or agreement contained in this Note.

9. Remedies.

a. Upon the occurrence of an Event of Default, the Holder may, by written notice to the Company, elect to convert this Note into Ordinary Shares at the Conversion Price, whereupon the unpaid principal balance of this Note, shall convert into Ordinary Shares at the Conversion Price without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

b. The Company will furnish to the Holder prompt written notice of the occurrence of any Event of Default.

10. Miscellaneous.

a. If at any time during the period between the date of this Note and any conversion of all or any portion of the unpaid principal balance of this Note, in accordance with this Note, any change in the outstanding shares of Ordinary Shares shall occur by reason of any stock split, reverse stock split, stock dividend, cash dividend, reorganization, recapitalization, reclassification, combination, exchanges of shares, rights, options, warrants, distributions, spin-off, tender offer, exchange offer or other change or transaction with respect to the Ordinary Shares (each, an "**Adjustment Event**"), any number or amount contained in this Note that is based on the price of an Ordinary Shares or a number of Ordinary Shares shall be equitably adjusted to the extent necessary to provide the Holder the same economic effect with respect to the Ordinary Shares as contemplated by this Note with respect to such conversion as of immediately prior to such Adjustment Event.

b. Upon any conversion of the principal balance of this Note, (i) the Holder shall surrender and deliver this Note, duly endorsed, to the Company against delivery of the Conversion Shares, (ii) in exchange for, and within one (1) business day following the receipt of, the surrendered Note, the Company shall, at the direction of the Holder, deliver (or cause to be delivered) to the Holder the Conversion Shares, which shall bear such legends as are required in the opinion of counsel to the Company, by applicable state and federal securities laws or by any other agreement between the Company and the Holder and the Company will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue or delivery of any Conversion Share upon such conversion. Upon such delivery of the Conversion Shares to the Holder, the converted portion of this Note shall automatically become fully paid and satisfied. To the extent Israeli withholding tax shall apply on any payment or issuance of shares upon the repayment or conversion of this Note, Company shall be entitled to withhold such tax in accordance with the applicable law unless provided with an applicable exemption (or approval of reduced tax withholding rate) issued by the Israel Tax Authority.

c. For purposes of this Note, "**Conversion Shares**" means any Ordinary Shares issued upon conversion of all or a portion of the principal balance of this Note.

d. Authorized Shares. So long as this Note is outstanding, the Company shall take all action necessary, including amending the Company's governing documents to authorize and reserve the requisite number of Ordinary Shares, solely for the purpose of effecting the conversion of this Note, such that the number of shares of Conversion Shares shall be duly and validly authorized, reserved and available for issuance at the time of the conversion of this Note, and upon issuance in accordance with the terms of this Note, the Conversion Shares will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under applicable federal and state securities laws or liens or encumbrances created by or imposed by the Holder.

e. Beneficial Ownership Limitation. 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 Securities Exchange Act of 1934 Act, as amended (the "**Exchange 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, including without limitation, the 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 10e. For purposes of this Section 10e, beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act and holdings shall be calculated in accordance with the Companies Law (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 10e, 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 (61st) 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 10e 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 10e 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.

11. **Notices.** Any notice or communication by the Company or the Holder to the other will be deemed to have been duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), electronic transmission or other similar means of unsecured electronic communication or overnight air courier guaranteeing next day delivery, or to the other's address included on the signature page hereto. The Company or the Holder, by notice to the other, may designate additional or different addresses (including facsimile numbers and electronic addresses) for subsequent notices or communications. All notices and communications will be deemed to have been duly given: (a) at the time delivered by hand, if personally delivered; (b) five (5) business days after being deposited in the mail, postage prepaid, if mailed; (c) when transmitted, if transmitted by facsimile, electronic transmission or other similar means of unsecured electronic communication; and (d) the next business day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

12. **Governing Law.** THIS NOTE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS PROMISSORY NOTE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE COMPANY, AND THE HOLDER BY ITS ACCEPTANCE THEREOF IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED BY THIS NOTE.

13. **Severability.** Any provision contained in this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **Amendment; Waiver.** Any amendment hereto or waiver of any provision hereof may be made with, and only with, the written consent of the Company and the Holder. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights available in law or in equity. Each party hereto acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the other party hereto and that the remedy at law for any such breach would be inadequate. Each party hereto therefore agrees that, in the event of any such breach or threatened breach, the other party hereto shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

15. **Assignment.** No assignment or transfer of this Note or any rights or obligations hereunder may be made by any party hereto (by operation of law or otherwise) without the prior written consent of the other party hereto (such consent not to be unreasonably withheld, conditioned or delayed) and any attempted assignment without the required consent shall be void.

16. **Transfer Procedures.** If this Note is to be transferred as permitted under this Note, in whole or in part, the Holder shall surrender this Note to the Company, whereupon the Company will issue and deliver a new Note to the transferee and, if less than the entire unpaid principal balance of this Note held by the Holder is being transferred, a new Note to the Holder, representing the portion of the unpaid principal balance not being transferred.

17. **Lost, Stolen, Destroyed 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 and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a replacement Note.

18. **Issuance of Replacement Notes.** Whenever the Company is required to issue a new or replacement Note (a "**Replacement Note**") pursuant to the terms of this Note, such Replacement Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such Replacement Note, the outstanding principal balance of this Note (or, in the case of a Replacement Note being issued pursuant to Section 17, the outstanding principal balance of this Note designated by the Holder which, when added to the aggregate outstanding principal balance represented by the other Replacement Notes issued in connection with such issuance, does not exceed the outstanding principal balance under this Note immediately prior to such issuance of Replacement Notes), (iii) shall have an issuance date, as indicated on the face of such Replacement Note, which is the same as the issuance date of this Note, (iv) reserved, (v) shall have the same rights and conditions as this Note and (vi) shall be timely prepared and issued by the Company, but in any event the Company shall issue such Replacement Note not later than five (5) business days after surrender of this Note or the receipt of the evidence reasonably satisfactory to the Company in accordance with Section 17, as the case may be.

19. **Counterparts.** This Note may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. The exchange of copies of this Note and signature pages by email in .pdf or .tif format (and including any electronic signature complying with the U.S. ESIGN Act of 2000, e.g., www.docusign.com), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Note as to the parties hereto and may be used in lieu of the original Note for all purposes. Such execution and delivery shall be considered valid, binding and effective for all purposes.

[Signature page follows]

IN WITNESS WHEREOF, the parties to this Note have caused this Note to be duly executed as of the date first written above.

HUB CYBER SECURITY LTD.

By: _____

Names: Noah Hershcoviz and Lior Davidsohn
Titles: CEO and Interim CFO
Address: 2 Kaplan Street, Tel Aviv 6473403, Israel
Email:

Accepted and agreed as of the date first written above.

SEVEN KNOTS, LLC

By: _____

Name:
Title:
Address:
Email:

[Signature Page to Convertible Promissory Note]

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to use of our report dated April 30, 2025, in the Registration Statement (Form F-1) and related prospectus of HUB Cyber Security Ltd. dated September 2, 2025.

Tel-Aviv, Israel
September 2, 2025

/s/ KOST FORER GABBAY & KASIERER
A Member of EY Global

CALCULATION OF FILING FEE TABLES

F-1

HUB Cyber Security Ltd.

Table 1: Newly Registered and Carry Forward Securities

Line Item Type	Security Type	Security Class Title	Notes	Fee Calculation Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee
<i>Newly Registered Securities</i>									
Fees to be Paid	Equity	Ordinary shares, no par value per share	(1)	Other	26,746,175	\$ 2.29	\$ 61,248,740.75	0.0001531	\$ 9,377.19
Total Offering Amounts:							\$ 61,248,740.75		9,377.19
Total Fees Previously Paid:									0.00
Total Fee Offsets:									44,943.15
Net Fee Due:									\$ 0.00

Offering Note(s)

- (1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, or the Securities Act, the Registrant is also registering hereunder an indeterminate number of additional ordinary shares that shall be issuable pursuant to Rule 416 to prevent dilution resulting from share splits, share dividends or similar transactions.

Consists of up to 26,746,175 ordinary shares being registered for resale by the selling securityholders named in this Registration Statement which includes (a) up to 22,624,434 ordinary shares that we may elect, in our sole discretion, to issue and sell to Keystone Capital Partners, LLC ("Keystone"), from time to time under the Purchase Agreement, and subject to applicable stock exchange rules and (b) up to 4,121,741 ordinary shares issuable upon conversion of the Commitment Notes issued to Keystone as consideration for Keystone entering into the Ordinary Share Purchase Agreement dated March 11, 2025.

Estimated solely for the purpose of computing the amount of the registration fee for the ordinary shares being registered in accordance with Rule 457(c) under the Securities Act based upon a proposed maximum aggregate offering price per unit of \$2.29 per ordinary share, the average of the high (\$2.38) and low (\$2.2) prices of the ordinary shares of the registrant as reported on the Nasdaq Global Market ("Nasdaq") on August 29, 2025, which such date is within five business days of the filing of this registration statement.

Table 2: Fee Offset Claims and Sources

Line Item Type	Registrant or Filer Name	Notes	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Security Type Associated with Fee Offset Claimed	Security Title Associated with Fee Offset Claimed	Unsold Securities Associated with Fee Offset Claimed	Unsold Aggregate Offering Amount Associated with Fee Offset Claimed	Fee Paid with Fee Offset Source
<i>Rule 457(p)</i>												
Fee Offset Claims	HUB Cyber Security Ltd.	(1)	F-1	333-274385	09/07/2023		\$ 3,556.05	Equity	Ordinary shares	87,807,052	\$ 32,269,091.61	\$
Fee Offset Sources	HUB Cyber Security Ltd.		F-1	333-274385		09/07/2023						3,556.05
Fee Offset Claims	HUB Cyber Security Ltd.	(2)	F-1	333-274385	09/07/2023		1,540.36	Equity	Ordinary shares issuable upon the exercise of warrants	6,885,632	19,619,811.96	
Fee Offset Sources	HUB Cyber Security Ltd.		F-1	333-274385		09/07/2023						1,540.36
Fee Offset Claims	HUB Cyber Security Ltd.	(3)	F-4	333-267035	08/24/2022		39,846.74	Equity	Ordinary shares issuable upon the exercise of warrants	1,203,284	153,900,023.60	
Fee Offset Sources	HUB Cyber Security Ltd.		F-4	333-267035		08/24/2022						39,846.74

Rule 457(p) Statement of Withdrawal, Termination, or Completion:

- (1) The Registrant's Registration Statement on Form F-1 (Registration No. 333-274385) was initially filed on September 7, 2023 (the "September 2023 Registration Statement") but was not declared effective by the SEC and there were no sales of the Registrant's securities under the September 2023 Registration Statement. The Registrant withdrew the September 2023 Registration Statement by filing a Form RW on September 13, 2024.

Rule 457(p) Statement of Withdrawal, Termination, or Completion:

- (2) The Registrant's Registration Statement on Form F-1 (Registration No. 333-274385) was initially filed on September 7, 2023 (the "September 2023 Registration Statement") but was not declared effective by the SEC and there were no sales of the Registrant's securities under the September 2023 Registration Statement. The Registrant withdrew the September 2023 Registration Statement by filing a Form RW on September 13, 2024.

Rule 457(p) Statement of Withdrawal, Termination, or Completion:

- (3) The Registrant previously registered 13,384,650 ordinary shares upon exercise of (i) warrants to purchase ordinary shares, originally issued by Mount Rainier Acquisition Corp. to the public in its initial public offering that were converted into warrants to purchase ordinary shares of the Registrant on the closing of the Business Combination (the "Public Warrants") and (ii) warrants to purchase ordinary shares, originally issued by Mount Rainier Acquisition Corp. to the Sponsor and affiliated entities in connection with the initial public offering of Mount Rainier Acquisition Corp. that were converted into warrants to purchase ordinary shares of the Registrant on the closing of the Business Combination (the "Private Warrants", and, together with the Public Warrants, the "SPAC Warrants") under a

registration statement on Form F-4 (File No. 333-267035) (the “August 2022 Registration Statement”). After giving effect to a reverse 1-for-10 reverse share split that the Registrant effected on December 14, 2023, such number of ordinary shares issuable upon the exercise of the SPAC Warrants is 1,338,465 ordinary shares of which 1,203,284 ordinary shares issuable upon the exercise of SPAC Warrants have not yet been exercised and, consequently, none of the ordinary shares have been issued or sold under the August 2022 Registration Statement, consisting of (i) 11,630,882 ordinary shares that may be received upon exercise of Public Warrants and (ii) 401,992 ordinary shares that may be received upon exercise Private Warrants. The Registrant has completed the offering that included these registered but unissued ordinary shares under the August 2022 Registration Statement.