As filed with the Securities and Exchange Commission on August 9, 2021

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ICECURE MEDICAL LTD.

(Exact name of registrant as specified in its charter)

State of Israel	3841	Not Applicable
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Eyal Shamir **Chief Executive Officer** **7 Ha'Eshel St., PO Box 3163** **Caesarea, 3079504 Israel** **Tel: +972.4.6230333**	**IceCure Medical Inc.** **10 W Prospect Street, Suite 401** **Nanuet, NY 10954** **Tel: +1-888-902-5716**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

Copies to:

Oded Har-Even, Esq. **Sullivan & Worcester LLP** **1633 Broadway** **New York, NY 10019** **Tel: 212.660.3000**	**Reut Alfiah, Adv.** **Sullivan & Worcester Israel (Har-Even & Co.)** **HaArba'a Towers - 28 HaArba'a St.** **North Tower, 35th floor** **Tel-Aviv, Israel 6473925** **Tel: + 972.74.758.0480**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

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, 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 term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered[1]	Proposed maximum offering price per share	Proposed maximum aggregate offering price[2]	Amount of registration fee[2]
Ordinary Shares, no par value	11,485,697	$ 10.48	$ 120,370,105	$ 13,132.38

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, or the Securities Act, the ordinary shares registered hereby also include an indeterminate number of additional ordinary shares as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.

(2) Estimated solely for purposes of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act, based upon the average of the high and low sales prices of the registrant's Ordinary Shares as reported on the Tel Aviv Stock Exchange, or TASE, on August 8, 2021. Share prices in New Israeli Shekels are translated (solely for the purpose of calculating the registration fee) using the rate of 3.217 NIS to $1.00, the representative rate of exchange as of August 8, 2021 as published by the Bank of Israel.

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 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION** **DATED AUGUST 9, 2021**

11,485,697 Ordinary Shares

IceCure Medical Ltd.

This prospectus relates to the resale, by the selling shareholders identified in this prospectus of up to 11,485,697 ordinary shares, no par value, or Ordinary Shares, as further described below under "Prospectus Summary—Recent Private Placement."

The selling shareholders are identified in the table commencing on page 111. No Ordinary Shares are being registered hereunder for sale by us. We will not receive any proceeds from the sale of the Ordinary Shares by the selling shareholders. All net proceeds from the sale of the Ordinary Shares covered by this prospectus will go to the selling shareholders (see "Use of Proceeds"). The selling shareholder are offering their securities in order to create a public trading market for our equity securities in the United States. Unlike an initial public offering, any sale by the selling shareholders of the Ordinary Shares is not being underwritten by any investment bank. The selling shareholders may sell all or a portion of the Ordinary Shares from time to time in market transactions through any market on which our Ordinary Shares are 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 (see "Plan of Distribution").

We have applied to list the Ordinary Shares on the Nasdaq Capital Market, or Nasdaq, under the symbol "ICCM." This offering is contingent upon the listing of the Ordinary Shares on Nasdaq. Although we believe that as of the closing of the January 2021 SPA we meet the initial listing criteria for listing our Ordinary Shares on Nasdaq, no assurance can be given that our application will be approved or that a trading market in the United States will develop.

Our Ordinary Shares currently trade on the Tel Aviv Stock Exchange, or TASE, under the symbol "ICCM." The last reported sale price of our Ordinary Shares on August 8, 2021 was NIS 32.86, or approximately $10.21 per share (based on the exchange rate reported by the Bank of Israel on such date).

We expect the opening price of our Ordinary Shares on Nasdaq to be determined based on the closing price of our Ordinary Shares on the TASE on , 2021, converted to U.S. dollars (based on the exchange rate reported by the Bank of Israel on such date).

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act of 1933, as amended, or the Securities Act, and are eligible for reduced public company reporting requirements.

Additionally, we are a "controlled company" as defined under the Nasdaq Stock Market Listing Rules, because our existing controlling shareholder Epoch Partner Investments Limited is, and will be, able to exercise 55.41% of the total voting power of our issued and outstanding Ordinary Shares immediately after the listing on Nasdaq.

Investing in our securities involves a high degree of risk. (see "Risk Factors" beginning on page 11).

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

On August 8, 2021, we implemented a eight-for-one reverse stock split of our Ordinary Shares pursuant to which holders of our Ordinary Shares received one share of our Ordinary Shares for every eight shares of Ordinary Shares held. Unless the context expressly indicates otherwise, all references to share and per share amounts referred to herein reflect the reverse stock split.

The date of this prospectus is , 2021

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the selling shareholder have authorized anyone to provide you with different information. Neither we nor the selling shareholders are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any applicable prospectus supplement is accurate as of any date other than the date of the applicable document. Since the date of this prospectus and the documents incorporated by reference into this prospectus, our business, financial condition, results of operations and prospects may have changed.

For investors outside of the United States: Neither we nor any of the selling shareholders have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

In this prospectus, "we," "us," "our," the "Company" and "IceCure" refer to IceCure Medical Ltd. and its wholly owned subsidiaries, IceCure Medical Inc., a Delaware corporation, IceCure Medical HK Limited a Hong Kong corporation and IceCure (Shanghai) MedTech Co., Ltd., a subsidiary of IceCure Medical HK Limited.

Our reporting currency and functional currency is the U.S. dollar. Unless otherwise expressly stated or the context otherwise requires, references in this prospectus to "NIS" are to New Israeli Shekels, and references to "dollars" or "$" mean U.S. dollars.

This prospectus includes statistical, market and industry data and forecasts which we obtained from publicly available information and independent industry publications and reports that we believe to be reliable sources. These publicly available industry publications and reports generally state that they obtain their information from sources that they believe to be reliable, but they do not guarantee the accuracy or completeness of the information. Although we believe that these sources are reliable, we have not independently verified the information contained in such publications.

We report our financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

ABOUT THIS PROSPECTUS

This prospectus describes the general manner in which the selling shareholders identified in this prospectus may offer from time to time up to 11,485,697 Ordinary Shares. If necessary, the specific manner in which the Ordinary Shares may be offered and sold will be described in a supplement to this prospectus, which supplement may also add, update or change any of the information contained in this prospectus. To the extent there is a conflict between the information contained in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement, provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, any prospectus supplement—the statement in the document having the later date modifies or supersedes the earlier statement.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our securities. Before you decide to invest in our securities, you should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and related notes appearing at the end of this prospectus.

Our Company

We are a commercial stage medical device company focusing on the research, development and marketing of cryoablation systems and technologies based on liquid nitrogen, or LN2, for treating tumors. Cryoablation is the process by which benign and malignant tumors are ablated (destroyed) through freezing such tumors while in a patient's body. Our proprietary cryoablation technology is a minimally invasive alternative to surgical intervention, for tumors, including those found in breast, lungs, kidneys, bones and other indications. Our lead commercial cryoablation product is the ProSense system (pictured below).

In addition to our existing lead product, the ProSense system, a single probe system, we have developed an additional multi probe system that is expected to have the ability to freeze several tumors simultaneously or larger tumors, which we refer to as our MultiSense system. In our continued efforts aimed at improving our core technology, we are currently focusing on developing our next generation MultiSense system, which we intend to commercialize subject to regulatory approvals. We are also in the process of developing our next generation single probe system. While these next generation systems are still in various research and development stages, we expect them to be more efficient and user friendly (see "Business – Our Products – Research and Development" for additional information).

We believe that obtaining regulatory approval for our existing and next generation products for specific indications will help us grow our business. As of August 2021, we have received a broad range of regulatory approvals for our systems to treat tumors in the lungs, kidneys, bones and other indications. In the United States our products are approved as a "single family" known as the "IceCure Family," which includes the IceSense3, ProSense, and MultiSense (which has not been commercialized) cryoablation systems. Although our existing, "IceCure Family" systems have regulatory approvals from the United States Food and Drug Administration, or the FDA, for commercialization in the United States, we have yet to receive regulatory approval for such systems for treatment of malignant breast tumors, which requires a separate approval from the FDA. The FDA classifies medical devices into one of three classes (Class I, Class II, or Class III) depending on their level of risk and the types of controls that are necessary to ensure device safety and effectiveness. The class assignment is a factor in determining the type of premarketing submission or application, if any, that will be required before marketing products in the United States. If the FDA does not approve 510(k) regulatory pathway, we will request that De Novo classification be accepted for our "IceCure Family" systems. If De Novo classification is needed for our "IceCure Family" systems, we will be required to accept special controls imposed by the FDA, mainly on the production process and post-market monitoring. If a De Novo classification is not approved by the FDA as the regulatory pathway, the FDA will accept only pre-market approval, or PMA, in which case we expect the timeline for marketing approvals would be longer and our costs associated with PMA would be higher compared to 510(k) or De Novo approvals (see "Business – Government Regulation" for additional information).

Obtaining regulatory approvals and developing our next generation single probe and MultSenses system will require the incurrence of significant costs and our success will depend, in part, on gaining market acceptance. In order to gain market acceptance in the United States, we will require specific approval from the FDA for our ProSense system, which we hope to obtain based on the interim results of our ICE3 trial published on April 29, 2021. Another key step to gain market acceptance depends on obtaining Medicare coverage from the Medicare Coverage of Innovative Technology, or MCIT, the American Society of Breast Surgeons, or the ASBrS, amending their guidelines to support cryoablation as an alternative to surgery, applying for CPT1 codes for cryoablation for breast cancer (with the support of the ASBrS), negotiate medical coverage for our systems from medical insurers and collaborating with a major distributor of medical devices (see "Business – Government Regulation – FDA Regulation of Medical Devices" and "Risk Factors – Risks Related to Product Development and Regulatory Approval" for additional information).

In addition, competition in the medical devices and cancer treatment market is intense. Some of our competitors hold significant market share, have long histories and strong reputations within the industry, greater brand recognition, financial and human resources than we do. They also have more experience and capabilities in researching and developing testing devices, obtaining and maintaining regulatory clearances, manufacturing and marketing those products and other requirements, than we do. Their dominant market position and significant control over the market could significantly limit our ability to introduce or effectively market and generate sales and

capture market share.

To date, we have incurred significant operating losses, generated minimal revenues from product sales, and as of December 31, 2020, our accumulated deficit was $48.5 million. We expect that we will need to raise substantial additional funding in the future (see “Risk Factors – Risks Related to Our Financial Condition and Capital Requirements”).

In Europe, Singapore, India, Hong Kong, Russia, Thailand, Taiwan, South Africa, Mexico, Australia, Israel, Columbia and Costa Rica we have approvals for either our ProSense or our IceSense3 systems, or, in certain countries, both products. For instance, in China, we have approval for our IceSense3 (without the disposables) (see “Business – Our Products – Regulatory Approvals” below for additional information). In addition, in order to generate significant revenue, we are seeking to pursue additional regulatory approvals for our system for specific indications, in countries where we already have general regulatory approvals. In these countries, we are seeking regulatory approval for the treatment of specific tumors, including those found in breast, lungs, kidneys and bones. In addition, we are also seeking regulatory approvals for our systems in other countries where we believe that there is significant potential for sales of our products.

The procedure using our ProSense system begins with the introduction of our proprietary disposable probe into the tumor through a small pea-sized incision in the skin while the patient is under local anesthesia and/or sedation. The probe is guided by high-resolution ultrasound (for breast tumors) or computed tomography, or CT (for other indications). For some indications we use guiding needles (introducers) in order to guide the probe to the tumor. Once the probe is in place, LN2 is introduced into the probe in a closed-loop circuit, so that LN2 does not enter the body, and creates a freezing zone around the tip of the probe. During the freeze cycle, an ice ball forms in the freezing zone and encompasses the tumor, ablating the cancer or benign tumor. The ice ball form can be monitored by the physician using ultrasound or CT in order to avoid causing damage to the healthy tissue surrounding the tumor. Several minutes after the procedure is completed, the ice ball thaws and as a result thereof, there is no need for surgical removal of the dead tumor tissue, as the dead tissue is absorbed by the body in a natural process. The entire cryoablation procedure of freeze-thaw-freeze with our ProSense system generally takes between 15 to 40 minutes, depending on the size, type and location of the tumor. The same system configuration can be used and was designed to treat both malignant and non-malignant tumors. However, there is usually a different configuration for the probe handle between the systems used to treat breast tumors (with a primarily straight handle) and used to treat other indications (with a 90-degrees handle) due to the different imaging device that is used in each instance (see “Business – Our Products” for additional information). Pictured below is our system forming an ice ball (which in practice forms around the tissue within the body) in ultrasound gel.

As a minimally invasive alternative to surgery, cryoablation is much less traumatic than open surgery, and, based on current data, we believe this treatment is more affordable, entails less risk and generally results in fewer side effects and complications than open surgery. On the patient side, following procedures with our cryoablation technology, patients usually can resume normal activities within 24 hours after the procedure. In addition, the use of our technology in beast procedures eliminates the need for a post-procedure reconstruction surgery. On the health provider side, procedures with our technology for breast tumors may be carried out in a clinic, while treatment by our ProSense system for other indications can generally be carried out as an outpatient procedure in a CT room. As a result, the potential profit margins for health care providers and payors are potentially greater than most of the current surgical procedures that are conducted in the operating room, which entail additional and expensive cost elements for the operating room and its staff. In addition, we believe that our LN2-based technology provides patients, medical service providers, physicians and insurers with advantages versus our competitors, especially those using heat to treat tumors, also known as thermal ablation (otherwise known as heat ablation). For example, the freezing effect on tissue from cryoablation produces less pain, and accordingly less anesthesia (which also reduces costs). A study published on April 8, 2021 by Elles M.F. van de Voort et al titled "Thermal Ablation as an Alternative for Surgical Resection of Small (≤2 cm) Breast Cancers: A Meta-Analysis" suggested that cryoablation has the lowest complication rate among breast cancer tumor procedures and the advantage of an analgesic effect. In addition, in comparison to the treatment of tumors with heat, when treating a tumor with cryoablation (unlike treatment with heat technology), the freezing does not cause evaporation of the treated tissue and therefore provides the physician conducting the treatment with a clearer view of the tissue, which we believe enables the physician to carry out the procedure more accurately with a precise view of the tumor.

We believe that cryoablation has already started to be recognized for its true potential, and that it represents the future of treatment for certain benign and malignant tumors. Our ongoing business strategy, as further detailed below, is focused on helping us overcome certain factors that have limited our ability to generate significant revenues, including, but not limited to, obtaining additional regulatory clearance, obtaining support of key opinion leaders and leading medical associations for the use of cryoablation (and specifically, our systems) for the treatment of tumors. In recent years, and in part due to our efforts and accomplishments, cryoablation of malignant breast tumors has been recognized for its vast potential. For example, following preliminary results of our ICE3 trial, which we presented at the yearly conference of the ASBrS in May 2018, in October 2018, the American Society of Breast Surgeons, or the ASBrS, which, among other things, sets guidelines for breast cancer treatment, updated its guidelines on performing cryoablation procedures on breast malignant tumors in their early stages. While not cited by the ASBrS, based on our discussions with the ASBrS, we believe that the results of our study were a factor in the ASBrS decision to update these guidelines. (see “Business – Our Lead Indication and Market Opportunity – Primary Indication – Breast Tumors – Malignant Breast Tumors – Multi-Site Clinical Trial of the Cryoablation System ICE3 Study – United States” for additional information).

In addition to updating its guidelines, the ASBrS also recommend taking part in clinical trials and in registries for treating malignant breast tumors, each relating to cryoablation, to increase the knowledge and data of breast cancer cryoablation. Registries, by which uniform data is collected from patients through observational studies, represent an important stage in the commercialization of technologies and are part of the required procedure for receiving remuneration from health insurance companies.

Recent Developments

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus, or COVID-19, was identified in Wuhan, China. The spread of COVID-19 from China to over 200 countries, including the United States and Israel, resulted in the World Health Organization declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease.

Due to the burden on health systems and the fear of infection, medical institutions in certain territories restricted elective procedures, including those related to our area of activity. As a result, certain of our plans for 2020 and our plans for 2021 were impacted, including, for example, our ability to hold face to face meetings, conventions and on-site trainings. In addition, although we were able to have certain face to face meetings and hold virtual meetings, our ability to reach new customers was impacted due to travel restrictions and social distancing requirements. We believe that due to the COVID-19 pandemic, investments in new technologies, including, for example, our ProSense system, decreased as customers sought to minimize their capital expenditures. Despite the resulting effects of the COVID-19 pandemic, we do not believe that we have sustained any material adverse effect on our financial condition and operations, and in spite of the COVID-19 pandemic, our revenues for our fiscal year ended December 31, 2020 increased by 138% in comparison to the year ended December 31, 2019 (see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" for additional information). We continued to face challenges during the first quarter of 2021, and expect to continue to experience COVID-related challenges for the foreseeable future, mainly related to delays in shipments of materials by our suppliers, and disruption in access to new medical service providers and costumers due to the continued restrictions on international travel, direct access to medical service providers and public gatherings. Any disruption of suppliers or access to medical service provider would likely impact our progress as well as our ability to access capital through the financial markets.

Although we were not able to increase sales to new customers as planned prior to the onset of the COVID-19 pandemic, we believe that certain competitive advantages that our ProSense system has versus surgical treatment helped us generate sales to our existing customers, and avert any material adverse effect on our financial condition or operations.

We continue to examine the consequences of the COVID-19 pandemic, perform risk assessments and implement operational solutions that we believe will help us deal with the COVID-19 pandemic, we are unable to accurately predict the impact that the COVID-19 pandemic will have on our operations going forward due to uncertainties that will be dictated by the length of time that the COVID-19 pandemic and related disruptions continue, the impact of governmental regulations that might be imposed in response to such pandemic and overall changes in the behavior of our customers.

Recent Private Placement

Pursuant to a securities purchase agreement, or the January 2021 SPA, with certain investors, or the January 2021 Investors, we received an aggregate amount of $9 million, against the issuance of 6,891,418 Ordinary Shares, or the January 2021 First Closing.

Pursuant to the January 2021 SPA, a second closing, or the January 2021 Second Closing, in the aggregate amount of $6 million, against issuance of 4,594,279 Ordinary Shares was to occur upon the approval of our Ordinary Shares for listing on a tier of the Nasdaq Stock Market and the effectiveness of a registration statement covering the resale of the Ordinary Shares, or the Nasdaq Milestone, which we undertook to file with the SEC within 120 days from the January 2021 First Closing. However, on May 9, 2021, the January 2021 Investors waived the achievement of the Nasdaq Milestone as a pre-condition, and we completed the January 2021 Second Closing.

The January 2021 Investors were granted a 12-month participation right following the January 2021 Second Closing, in future financings equal to 50% of the subsequent financing, subject to certain conditions. We also undertook to refrain from issuing any Ordinary Shares or Ordinary Shares equivalents from the date of the January 2021 SPA until 60 calendar days from the January 2021 Second Closing, subject to certain exempt issuances.

Summary Risk Factors

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus summary. You should read these risks in full before you invest in our securities. The following is a summary of such risks.

Risks Related to Our Financial Condition and Capital Requirements

- we have a limited operating history and we have incurred significant operating losses since our inception, and anticipate that we will incur continued losses for the foreseeable future;
- we have generated minimal revenues from product sales and may never be profitable, even if we receive regulatory approval to commercialize our products in additional geographical territories and indications;
- even following the January 2021 SPA, we expect that we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our commercialization and product development efforts, expansion to new markets, or other activities.

Risks Related to Our Business and Industry

- we are highly dependent on the successful development, obtaining regulatory clearances and marketing and sale of our ProSense and MultiSense systems;
- we face business disruption and related risks resulting from the recent outbreak of the COVID-19 pandemic, which could have a material adverse effect on our business and results of operations;
- if we fail to maintain existing strategic relationships with Terumo Corporation or are unable to identify additional strategic distributors of our systems, and any future products and technologies, our revenues may decrease;

- we are dependent upon third-party manufacturers and suppliers making us vulnerable to supply shortages and problems, increased costs and quality or compliance issues, any of which could harm our business;
- if we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks;
- we manage our business through a small number of employees and key consultants. We may need to expand our organization and we may experience difficulties in recruiting needed additional employees and consultants, which could disrupt our operations;
- we face intense competition in the market, and as a result we may be unable to effectively compete in our industry;
- our commercial success is very much dependent on third-party payors to provide adequate insurance coverage and reimbursement for the use of our systems, or any future products that we may commercialize;
- our management team has limited experience managing a U.S. reporting company;

Risks Related to Product Development and Regulatory Approval

- our, or our partners', clinical trials may encounter delays, suspensions or other problems;
- we may not receive, or may be delayed in receiving, the necessary clearances or approvals for our current products or future products in order to commercialize these products in specific countries or regions or in a specific indication, and failure to timely obtain necessary clearances or approvals for our existing or future products would adversely affect our ability to grow our business;
- preliminary data that we or others announce or publish from time to time with respect to our products may change as more data become available and are subject to audit and verification procedures that could result in material changes in the final data;
- the misuse or off-label use of our products may harm our reputation in the marketplace, result in injuries that may lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly;
- our products may cause or contribute to adverse medical events or be subject to failures or malfunctions that we are required to immediately report to all relevant regulatory authorities, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us;
- if we do not obtain and maintain international regulatory registrations, clearances or approvals for our products, we will be unable to market and sell our products;
- disruptions at the FDA and other government agencies could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business;

Risks Related to Our Intellectual Property

- if we are unable to obtain and maintain effective patent rights for our products and services, we may not be able to compete effectively in our markets. If we are unable to protect the confidentiality of our trade secrets or know-how, such proprietary information may be used by others to compete against us;
- third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts;

Risks Related to the Ownership of our Ordinary Shares

- our principal shareholders, officers and directors currently beneficially own approximately 75.83% of our Ordinary Shares. They will therefore be able to exert significant control over matters submitted to our shareholders for approval;
- because we are a "controlled company" within the meaning of the Nasdaq Stock Market rules, our shareholders may not have certain corporate governance protections that are available to shareholders of companies that are not controlled companies;
- we may be a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes in the current taxable year or may become one in any subsequent taxable year. There generally would be negative tax consequences for U.S. taxpayers that are holders of the Ordinary Shares if we are or were to become a PFIC;

Risks Related Israeli Law and Our Operations in Israel

- potential political, economic and military instability in the State of Israel, where our headquarters, members of our management team and our research and development facilities are located, may adversely affect our results of operations;
- We expect to be exposed to fluctuations in currency exchange rates, which could adversely affect our results of operations;
- the termination or reduction of tax and other incentives that the Israeli government provides to Israeli companies may increase our costs and taxes;
- we may be required to pay monetary remuneration to our Israeli employees for their inventions, even if the rights to such inventions have been duly assigned to us. We may also not be able to enforce covenants not-to-compete under current Israeli law that might result in added competition for our products;
- we received Israeli government grants for certain of our research and development activities, the terms of which may require us to pay royalties and to satisfy specified conditions in order to manufacture products and transfer technologies outside of Israel. If we fail to satisfy these conditions, we may be required to pay penalties and refund grants previously received;

- provisions of Israeli law and our articles of association may delay, prevent or otherwise impede a merger with, or an acquisition of, us, which could prevent a change of control, even when the terms of such a transaction are favorable to us and our shareholders;
- it may be difficult to enforce a judgment of a U.S. court against us, our executive officers and directors and the Israeli experts named in this prospectus in Israel or the United States, to assert U.S. securities laws claims in Israel or to serve process on our executive officers and directors and these experts; and
- your rights and responsibilities as a shareholder will be governed in key respects by Israeli laws, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies

Corporate Information

We are an Israeli corporation based in Caesarea, Israel and were incorporated in Israel in 2006. On February 2, 2011, we became a public company in Israel and our shares were listed for trade on the TASE. Our principal executive offices are located at 7 Ha'Eshel St., PO Box 3163, Caesarea, 3079504 Israel. Our telephone number in Israel is +972-4-6230333. Our website address is http://www.icecure-medical.com. The information contained on, or that can be accessed through, our website is not part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

This prospectus contains trademarks, trade names and service marks, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the JOBS Act. As such, we are eligible to, and intend to, take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not "emerging growth companies" such as not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. We could remain an "emerging growth company" for up to five years, or until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceeds $1.07 billion, (b) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our Ordinary Shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (c) the date on which we have issued more than $1 billion in nonconvertible debt during the preceding three-year period.

Implications of being a "Foreign Private Issuer"

We are subject to the information reporting requirements of the Exchange Act that are applicable to "foreign private issuers," and under those requirements we file reports with the SEC. As a foreign private issuer, we are not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. Under the Exchange Act, we are subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. For example, we are not required to issue quarterly reports, proxy statements that comply with the requirements applicable to U.S. domestic reporting companies, or individual executive compensation information that is as detailed as that required of U.S. domestic reporting companies. We also have four months after the end of each fiscal year to file our annual report with the SEC and are not required to file current reports as frequently or promptly as U.S. domestic reporting companies. Our officers, directors and principal shareholders are exempt from the requirements to report transactions in our equity securities and from the short-swing profit liability provisions contained in Section 16 of the Exchange Act. As a foreign private issuer, we are not subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act. In addition, as a foreign private issuer, we are permitted to follow certain home country corporate governance practices instead of those otherwise required under the Nasdaq Stock Market rules for domestic U.S. issuers and are not required to be compliant with all Nasdaq Stock Market rules as of the date of our initial listing on Nasdaq as would domestic U.S. issuers. (see "Risk Factors—Risks Related to the Ownership of Our Securities"). These exemptions and leniencies will reduce the frequency and scope of information and protections available to you in comparison to those applicable to a U.S. domestic reporting company. We intend to take advantage of the exemptions available to us as a foreign private issuer during and after the period we qualify as an "emerging growth company."

THE OFFERING

This prospectus relates to the resale by the selling shareholders identified in this prospectus of up to 11,485,697 Ordinary Shares. All of the Ordinary Shares, when sold, will be sold by these selling shareholders. The selling shareholders may sell their Ordinary Shares from time to time at prevailing market prices. We will not receive any proceeds from the sale of the Ordinary Shares by the selling shareholders.

Ordinary Shares currently issued and outstanding	31,821,865 Ordinary Shares
Ordinary Shares offered by the selling Shareholders	Up to 11,485,697 Ordinary Shares.
Use of proceeds	We will not receive any proceeds from the sale of the Ordinary Shares by the selling shareholders. All net proceeds from the sale of the Ordinary Shares covered by this prospectus will go to the selling shareholders (see "Use of Proceeds").
Risk factors	You should read the "Risk Factors" section starting on page 11 of this prospectus for a discussion of factors to consider carefully before deciding to invest in our securities.
TASE symbol	"ICCM"

Proposed Nasdaq Capital Market symbol	We have applied to list our Ordinary Shares on Nasdaq under the symbol "ICCM." Although we believe that as of the closing of the January 2021 SPA we met the initial listing criteria for listing our Ordinary Shares on Nasdaq, there can be no assurance that our application will be approved.

The number of the Ordinary Shares to be outstanding immediately after this offering excludes:

- 1,420,359 Ordinary Shares issuable upon the exercise of options to directors, employees and consultants under our share incentive plan, outstanding as of August 8, 2021, at a weighted average exercise price of $1.65, of which 777,524 were vested as of August 8, 2021; and
- 2,139 Ordinary Shares issuable upon the exercise of warrants to directors, employees and consultants, outstanding as of August 8, 2021, at a weighted average exercise price of $2.48.

Unless otherwise indicated, all information in this prospectus assumes and gives effect to:

- an eight-for-one reverse stock split effected on August 8, 2021

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table summarizes our consolidated financial data. We have derived the following statements of operations data for the years ended December 31, 2020 and 2019 and balance sheet data as of December 31, 2020 and 2019 from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,	
U.S. dollars in thousands, except share and per share data	**2020**	**2019**
Revenues	3,868	1,627
Cost of revenues	1,424	1,103
Gross profit	2,444	524
Research and development expenses	3,809	3,001
Sales and marketing expenses	1,063	1,035
General and administrative expenses	1,714	1,272
Operating loss	4,142	4,784
Financial income, net	(412)	(233)
Net loss and comprehensive loss	3,730	4,551
Basic and diluted net loss per Ordinary Share	0.218	0.334
Weighted average number of shares outstanding used in computing basic and diluted loss per share	17,128,903	13,621,285

	As of December 31,	
U.S. dollars in thousands	**2020**	**2019**
Balance Sheet Data:		
Cash and cash equivalents	$ 3,502	$ 5,789
Deposit	4,669	-
Trade accounts receivable	94	17
Inventory	1,064	678
Prepaid expenses and other receivables	260	381
Total current assets	9,589	6,865
NON-CURRENT ASSETS		
Prepaid expenses and other long-term assets	37	39
Right of use assets	306	225
Property and equipment, net	307	147
Total non-current assets	650	411
Total assets	10,239	7,276
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	645	428
Lease liabilities	214	135
Other current liabilities	2,855	2,990
Total current liabilities	3,714	3,553

NON-CURRENT LIABILITIES		
Long term lease liability	118	105
Other long-term liabilities	759	327
Total non-current liabilities	877	432
SHAREHOLDERS' EQUITY		
Ordinary Shares, No par value; Authorized 2,500,000,000 shares; Issued and outstanding: 20,218,220 shares 15,029,470 shares as of December 31, 2020 and December 31, 2019, respectively.	-	3,318
Treasury shares	(41)	(41)
Additional paid-in capital	54,225	44,820
Accumulated deficit	(48,536)	(44,806)
Total shareholders' equity	5,648	3,291
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,239	7,276

RISK FACTORS

Investing in our securities involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the financial statements and related notes, before deciding whether to purchase our securities. If any of the following risks are realized, our business, operating results, financial condition and prospects could be materially and adversely affected. In that event, the price of our Ordinary Shares could decline, and you could lose part or all of your investment.

Risks Related to Our Financial Condition and Capital Requirements

We have a limited operating history and we have incurred significant operating losses since our inception, and anticipate that we will incur continued losses for the foreseeable future. The report of our independent registered public accounting firm contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern, which could prevent us from obtaining new financing on reasonable terms or at all.

We are a medical device company with a limited operating history. To date, we have focused on developing our first commercial product for cryoablating tumors, the ProSense system, collecting clinical data, obtaining regulatory approvals in different geographical territories and indications and initiated our commercialization effort. We have funded our operations to date primarily through raising capital on TASE, private offerings, minimal sales of our ProSense system and its components, including affiliated needles, or Probes, guiding needles, or Introducers and other products, which we collectively refer to as disposables, loans, convertible loans and royalty-bearing grants that we received from the Israeli Innovation Authority, or the IIA, formerly known as the Office of the Chief Scientist of the Ministry of Economy and Industry.

We have only a limited operating history upon which you can evaluate our business and prospects. In addition, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the medical device industry. To date, we have generated minimal revenues from the sale of our ProSense system and its components (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information). We have incurred losses in each year since our inception, including operating losses of $4,142 thousand and $4,784 thousand for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, we had an accumulated deficit of $48,536 thousand. Substantially all of our operating losses resulted from costs incurred in connection with our development of our technology, business development and commercialization and from general and administrative costs associated with our operations.

Until we can generate significant revenues, if ever, we expect to satisfy our future cash needs through debt or equity financing. We cannot be certain that additional funding will be available to us on acceptable terms, if at all. If funds are not available, we may be required to delay, reduce the scope of, or eliminate research or development plans for, or commercialization efforts with respect to our products.

We expect our research and development expenses to increase in connection with our planned expanded research and development efforts, including those conducted in connection with the development of our next generation single Probe and MultiSense systems, and as we seek to receive approval from applicable regulatory authorities to commence commercialization of our ProSense system for treatment in breast cancer and other indications. In addition, if we obtain marketing approval for our ProSense system for the treatment of breast cancer and other indications in different countries across the world, including the United States, and for our next generation single Probe and MultiSense systems, we will likely incur significant sales, marketing and outsourced manufacturing expenses. In addition, although we have certain regulatory approvals, these only allow us to conduct minimal commercialization of our products, and therefore we will need to seek additional regulatory approvals in order to initiate commercialization, in scale, that has the potential to generate significant revenues for us. Even if we were to receive marketing approval for our ProSense and MultiSense systems, we expect that we will continue to incur significant research and development expenses as we seek to improve our technology and effectively compete with our competitors and as we seek additional approvals for their use in different indications and marketing and commercialization costs.

Furthermore, in addition to such operating expenses, we expect to incur additional costs associated with the process of listing our Ordinary Shares on Nasdaq and operating as a public company subject to the rules and regulations of the SEC, which we estimate will be at least one million dollars annually. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing a medical device, we are unable to predict the extent of any future losses or when we will become profitable, if at all.

The regulatory marketing approvals that we currently have are insufficient to generate significant revenue. Therefore, we expect to continue to incur significant losses until we are able to meaningfully commercialize our ProSense system or our next generation single Probe and MultiSense systems, which we may not be successful in achieving. We anticipate that our expenses will increase substantially if and as we:

- continue the research and development of our technology;
- discover that there are robust technology changes in our field;
- seek regulatory and marketing approvals for our medical devices, and more specifically, our ProSense system for treatment of breast cancer;
- subject to the receipt of the applicable regulatory approvals, establish and expand a sales, marketing, and distribution infrastructure to commercialize our current ProSense system and our future next generation single Probe and MultiSense systems, and its disposables;

- seek to identify, assess, acquire, license, and/or develop other medical devices companies and subsequent generations of our current medical devices;
- seek to maintain, protect, and expand our intellectual property portfolio;
- seek to attract and retain skilled personnel;
- create additional infrastructure to support our operations as a public company and our product development and planned future commercialization efforts; and
- experience any delays or encounter issues with respect to any of the above, including, but not limited to, failed studies, complex results, safety issues or other regulatory challenges that require longer follow-up of existing studies or additional supportive studies in order to pursue marketing approval.

The amount of any future operating losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through sales, equity or debt financings, strategic collaborations or grants. Even if we obtain regulatory approval to market our ProSense system or any future products, including the next generation single Probe and MultiSense systems, our future revenues will depend on the market size (geographic and indication-specific) in which any such product receives approval and our ability to achieve sufficient market acceptance, competition, pricing, reimbursement from third-party payors for our ProSense and next generation single Probe and MultiSense systems or any future product candidates. Further, the operating losses that we incur may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. Other unanticipated costs may also arise.

We have generated minimal revenues from product sales and may never be profitable, even if we receive regulatory approval to commercialize our products in additional geographical territories and indications.

Our system and its disposables are approved for marketing in a limited number of jurisdictions and for use in treatment of certain indications. In order to generate significant revenue, we will need to obtain additional regulatory approvals in jurisdictions within which we already have certain regulatory approvals and also in jurisdictions in which we currently have no regulatory approvals to market our products. Even if our ProSense or MultiSense systems or any future products are approved for marketing and sale, we anticipate incurring significant incremental costs associated with commercializing such products.

Our ProSense system, and its disposables, has regulatory approvals that allow us to market our system or its disposables in certain geographical areas and for specific indications. However, even with these regulatory approvals in place, we have yet to generate significant revenues and we plan to seek for additional regulatory approvals covering additional clinical indications, to allow us to increase clinical acceptance of our products by the medical community, obtain reimbursement coverage, and partner with distributors, all in order to increase commercialization efforts (see “Business—Government Regulation” for additional information). However, there can be no assurance that we will obtain regulatory approvals for all indications we have applied, or intend to apply for, or at all.

In addition to our dependency on receiving adequate regulatory approvals to market our products to our target market (geographic and indication-specific), our ability to generate significant revenues and achieve profitability also depends on our success in many areas, including but not limited to:

- complete research and development of our MultiSense and ProSense systems and any future products in a timely and successful manner;
- obtain market acceptance, if and when approved, of our ProSense and MultiSense systems and any future products from the medical community, patients and third-party payors;
- enter into agreements with commercial partners;
- obtain sufficient clinical evidence from our trials and commercial procedures, and publish such data;
- maintain and enhance a commercially viable, sustainable, scalable, reproducible and transferable manufacturing process for our ProSense and next generation single Probe and MultiSense systems and any future product candidates that is compliant with current good manufacturing practices, or cGMPs, or any other applicable regulations or standards;
- establish and maintain supply and, if applicable, manufacturing relationships with third parties that can provide, in both amount and quality, adequate products to support development and the market demand for our ProSense and next generation single Probe and MultiSense systems and any future products, if and when approved for marketing by regulators;
- maintain sufficient average selling price for our products and the revenues margin that we generate;
- launch and commercialize any products for which we obtain regulatory and marketing approval, either directly by establishing a sales force, marketing and distribution infrastructure, and/or with collaborators or distributors;
- accurately identifying demand for our ProSense and next generation single Probe and MultiSense systems or any future products;
- ensure our products are approved for reimbursement from governmental agencies, health care providers and insurers in jurisdictions where they have been approved for marketing;
- address any competing technological and market developments that impact our technology or its prospective usage by medical professionals;
- negotiate favorable terms in any collaboration, licensing or other arrangements into which we may enter and perform our obligations under such collaborations;
- attract, hire and retain qualified personnel; and
- locate and lease or acquire suitable facilities to support our clinical development, manufacturing facilities and commercial expansion.

In addition, even if we were to receive all of the regulatory approvals that we may seek to receive, our expenses could increase beyond expectations if we are required by the FDA, or other regulatory agencies, domestic or foreign, to change our manufacturing processes or assays or to perform studies in addition to those that we currently anticipate.

Further, if we are not able to generate significant revenues from the sale of our approved products, we may be forced to curtail or cease our operations. Due to the

numerous risks and uncertainties involved in product development, it is difficult to predict the timing or amount of increased expenses, or when, or if, we will be able to achieve or maintain profitability.

Even following the January 2021 SPA, we expect that we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our commercialization and product development efforts, expansion to new markets, or other activities.

As of December 31, 2020, our cash and cash equivalents and deposits were approximately $8.17 million, and we had a working capital of $5,875 thousand and an accumulated deficit of $48,536 thousand. On March 9, 2021 and May 10, 2021 pursuant to the January 2021 SPA, we received $9,000 thousand, and $6,000 thousand, accordingly. We expect that our existing cash, cash equivalents and short-term deposits will be sufficient for the next 12 months of operation. We expect that we will require substantial additional capital to commercialize our ProSense system and to develop and commercialize our next generation single Probe and MultiSense systems. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including but not limited to:

- the cost, timing and outcomes of regulatory review of ProSense system and any future products;
- the costs of maintaining our own commercial-scale cGMP manufacturing facility, including costs related to obtaining and maintaining regulatory compliance, and/or engaging third-party manufacturers therefor;
- the scope, progress, results and costs of product development, testing, manufacturing, preclinical development and, if applicable, clinical trials for any other products that we may develop or otherwise obtain in the future;
- the cost of our future activities, including establishing sales, marketing and distribution capabilities for any products in any particular geography where we receive marketing approval for such products;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the level of revenues received from commercial sales of any product candidates for which we receive marketing approval.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our ProSense and next generation single Probe and MultiSense systems and any future product candidates. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all, during or after the COVID-19 pandemic. In addition, our ability to raise capital could be affected by various factors, including clinical adverse events. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of our securities and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our Ordinary Shares to decline. The incurrence of indebtedness could result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable, and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Even if we believe that we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the development or commercialization of our ProSense or next generation single Probe and MultiSense systems or any other products or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Risks Related to Our Business and Industry

We are highly dependent on the successful development, obtaining regulatory clearances and marketing and sale of our ProSense and next generation single Probe and MultiSense systems.

Our ProSense system, our second generation cryoablation system, is the basis of our business. As a result, the success of our business plan is highly dependent on our ability to manufacture our ProSense at a large scale, and commercialize our ProSense system for the treatment of breast cancer, and other intended uses in the field of interventional oncology (including kidney cancer, lung cancer, liver cancer and bone cancer) and our failure to do so could cause our business to fail. Successful production and commercialization of medical devices is a complex and uncertain process, dependent on the efforts of management, manufacturers, local operators, integrators, medical professionals, third-party payors, as well as general economic conditions, among other factors. Any factor that adversely impacts the production and commercialization of our ProSense system, will have a negative impact on our business, financial condition, results of operations and prospects. We have limited experience in commercializing our ProSense system and we may face several challenges with respect to our commercialization efforts, including, among others, that:

- we may not have adequate financial or other resources to complete the development of our next generation single Probe and MultiSense systems or any future products;
- we may not be able to manufacture our ProSense system in commercial quantities, at an adequate quality or at an acceptable cost;
- we may not be able to establish adequate sales, marketing and distribution channels for our products;
- healthcare professionals medical providers and patients may not accept our products;
- we may not be aware of possible complications from the continued use of our ProSense system since we have limited clinical experience with respect to the actual use of our ProSense system;
- technological breakthroughs solutions in the ablation of tissues may reduce the demand for our ProSense system;
- third-party payors may not agree to reimburse sufficiently, or at all patients or healthcare providers for any or all of the procedures conducted with our ProSense system, which may adversely affect medical providers, and patients' willingness to use our ProSense system;
- we may face third-party claims of intellectual property infringement;

- we may fail to obtain or maintain regulatory clearance or approvals in our target markets (geographic and indication-specific) or may face adverse regulatory or legal actions even if regulatory approval is obtained;

- prices may adversely affect patients' willingness to use our ProSense system; and

- guidelines published by the medical community may not recommend the use of our ProSense and next generation single Probe and MultiSense systems or any future products for certain indications, which may adversely affect healthcare users willingness to use our ProSense and next generation single Probe and MultiSense systems or any future products.

If we are unable to meet any one or more of these challenges successfully, our ability to effectively commercialize our products could be limited, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We face business disruption and related risks resulting from the recent outbreak of the COVID-19 pandemic, which could have a material adverse effect on our business and results of operations.

The outbreak of COVID-19, which originated in Wuhan, China in 2019, has since spread across the globe, including the United States, Japan, Israel, many European and other countries in which we operate. On March 11, 2020, the World Health Organization declared the outbreak a pandemic. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it has affected the lives of a large portion of the global population. At this time, the pandemic has caused states of emergency to be declared in various countries, travel restrictions imposed globally, quarantines established in certain jurisdictions and various institutions and companies being closed. We are actively monitoring the pandemic and we are taking any necessary measures to respond to the situation in cooperation with the various stakeholders.

COVID-19 infection of our workforce could result in a temporary disruption in our business activities, including manufacturing, and other functions. Based on guidelines provided by the Israeli government, employers (including us) are also required to prepare and increase as much as possible the capacity and arrangement for employees to work remotely. In that regard, while we continued to operate almost fully including carrying out our studies in compliance with all applicable Israeli rules and guidelines, our employees worked remotely when full lockdowns were enforced. In addition, the closure of borders and state mandated quarantines, have made it difficult for us to assist in the installation and maintenance of our ProSense and providing clinical hands-on support and were required to provide such services remotely.

The spread of an infectious disease, including COVID-19, may also result in the inability of our manufacturers to deliver components or finished products on a timely basis and may also result in the inability of our suppliers to deliver the parts required by our manufacturers to complete manufacturing of components or finished products. Since March 2020 we have experienced delays in supply of some components of our products from abroad. While we were able to overcome such delays, we might not be able to do so if the future. In addition, governments and medical service providers may divert spending from other budgeted resources as they seek to reduce and/or stop the spread of an infectious disease, such as COVID-19. Such events may result in a period of business and manufacturing disruption, and in reduced operations, any of which could materially affect our business, financial condition and results of operations. The extent to which COVID-19 impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others.

If we fail to maintain existing strategic relationships with Terumo Corporation or are unable to identify additional distributors of our products or any future products and technologies, our revenues may decrease.

We currently derive a significant amount of our revenues through our strategic relationships and exclusive distribution agreements with Terumo Corporation (including its affiliates). If our relationships with Terumo Corporation are terminated or impaired for any reason and we are unable to replace these relationships with other means of distribution, we could suffer a material decrease in revenues.

We may need, or decide it is otherwise advantageous to us, to obtain the assistance of additional distributors to market and distribute our future products and technologies, as well as to market and distribute our existing ProSense and next generation single Probe and MultiSense systems, to existing or new markets or geographical areas. We may not be able to find additional distributors who will agree to and are able to successfully market and distribute our systems and technologies on commercially reasonable terms, if at all. If we are unable to establish additional distribution relationships on favorable terms, our revenues may decline. In addition, our distributors may choose to favor the products of our competitors over ours and give preference to them.

Also, our financial results are dependent upon the service efforts of Terumo Corporation. If Terumo Corporation is unsuccessful in adequately servicing our products, our sales could significantly decrease and our business, financial condition, results of operations and prospects may be adversely impacted.

Pursuant to our agreements with Terumo Corporation, we are also dependent on Terumo Corporation's efforts to obtain regulatory approval for the marketing and sale and the reimbursement of our products in Japan and other territories in which it seeks to commercialize our ProSense system, such as Thailand. If Terumo Corporation fails to obtain such approvals, it might adversely impact our future plans for sales in Japan and other regions.

Medical device development is costly and involves continual technological change which may render our current or future products obsolete.

The market for medical device technologies and products is characterized by factors such as rapid technological change, medical advances, changing consumer requirements, short device lifecycles, changing regulatory requirements and evolving industry standards. Any one of these factors could reduce the demand for our devices or require substantial resources and expenditures for, among other things, research, design and development, to avoid technological or market obsolescence.

Our success will depend on our ability to enhance our current technology and develop or acquire new technologies to keep pace with technological developments and evolving industry standards, while responding to changes in customer needs. A failure to adequately develop or acquire device enhancements or new devices that will address changing technologies and customer requirements adequately, or to introduce such devices on a timely basis, may have a material adverse effect on our business, financial condition and results of operations.

We might have insufficient financial resources to improve our ProSense system or complete the development of our next generation single Probe and MultiSense systems, and any other future products, and advance technologies and develop new devices at competitive prices. Technological advances by one or more competitors or future entrants into the field may result in our present services or devices becoming non-competitive or obsolete, which may decrease revenues and profits and adversely affect our business and results of operations.

We may encounter significant competition across our product lines and in each market in which we will sell our products and services from various companies, some of which may have greater financial and marketing resources than we do. Our competitors may include any companies engaged in the research, development, manufacture, and

marketing of non-invasive or minimal invasive solutions and technologies to treat tumors, as well as a wide range of medical device companies that sell a single or limited number of competitive products and services or participate in only a specific market segment.

We will be dependent upon success in our customer acquisition strategy.

Our business will be dependent upon success in our customer acquisition strategy. If we fail to maintain a high quality of device technology, we may fail to retain or add new customers. If we fail, our revenue, financial results and business may be significantly harmed. Our future success depends upon expanding our commercial operations in the United States, Europe and South East Asia, as well as entering additional markets (geographic and indication-specific) to commercialize our next generation single Probe and MultiSense systems and any other future products. We believe that our expanded growth will depend on the further development, regulatory approval(s) and commercialization of our ProSense and next generation single Probe and MultiSense systems. If we fail to commercialize our products in a timely manner and across a range of indications, including breast cancer, we may not be able to expand our markets or to grow our revenue, and our business and financial condition may be adversely impacted. If medical practitioners do not perceive our products to be useful and reliable, we may not be able to attract or retain new customers. A decrease in sales growth could cause us to enter into sales or distribution agreements on terms less favorable to us or cause us to license our technology on unfavorable and unexpected terms, which may have a material and adverse impact on our revenue, business, reputation, financial condition and results of operations.

We are dependent upon third-party manufacturers and suppliers making us vulnerable to supply shortages and problems, increased costs and quality or compliance issues, any of which could harm our business.

We rely on third parties to manufacture and supply us with proprietary custom components. We rely on a limited number of suppliers who provide us materials and components as well as manufacture and assemble certain components of our products. Our suppliers may encounter problems during manufacturing for a variety of reasons, including, for example, failure to follow specific protocols and procedures, failure to comply with applicable legal and regulatory requirements, equipment malfunction and environmental factors, failure to properly conduct their own business affairs, infringement of third-party intellectual property rights, and as a result of the COVID-19 pandemic and the resulting government restrictions, any of which could delay or impede their ability to meet our requirements. Our reliance on these third-party suppliers also subjects us to other risks that could harm our business, including:

- we are not currently a major customer of many of our suppliers, and these suppliers may therefore give other customers' needs higher priority than ours;
- third parties may threaten or enforce their intellectual property rights against our suppliers, which may cause disruptions or delays in shipment, or may force our suppliers to cease conducting business with us;

- we may not be able to obtain an adequate supply in a timely manner or on commercially reasonable terms;
- our suppliers, especially new suppliers, may make errors in manufacturing that could negatively affect the efficacy or safety of our products or cause delays in shipment;
- we may have difficulty locating and qualifying alternative suppliers;
- switching components or suppliers may require product redesign, validation or verification processes and possibly submission to the FDA or other similar foreign regulatory agencies, which could significantly impede or delay our commercial activities;
- one or more of our suppliers may be unwilling or unable to supply components of our products;
- the occurrence of a fire, natural disaster or other catastrophe impacting one or more of our suppliers may affect their ability to deliver products to us in a timely manner; and
- our suppliers may encounter financial or other business hardships unrelated to our demand, which could inhibit their ability to fulfill our orders and meet our requirements.

We consistently monitor our inventory levels and maintain recovery plans to address potential disruptions that we may encounter from our suppliers. However, we may not be able to quickly establish additional or alternative suppliers if necessary, in part because we may need to undertake additional activities to establish such suppliers as required by the regulatory approval process. Any interruption or delay in obtaining products from our third-party suppliers, or our inability to obtain products from qualified alternate sources at acceptable prices in a timely manner, could impair our ability to meet the demand of our customers and cause them to switch to competing products. Given our reliance on certain suppliers, we may be susceptible to supply shortages while looking for alternate suppliers (see "Business – Production and Manufacturing for additional information).

We may not be able to replace our current manufacturing capabilities in a timely manner.

If our contract manufacturing facility or our in-house facility suffers any type of prolonged interruption, whether caused by regulator action, equipment failure, critical facility services failure, fire, natural disaster or any other event that causes the cessation of manufacturing activities, such as COVID-19, we may be exposed to long-term loss of sales and profits. There are limited facilities which are capable of contract manufacturing some of our products and product candidates. Replacement of our current manufacturing capabilities may have a material adverse effect on our business and financial condition.

We are dependent upon third-party service providers. If such third-party service providers fail to maintain a high quality of service, the utility of our products could be impaired, which could adversely affect the penetration of our products, our business, operating results and reputation.

The success of certain services and products that we provide are dependent upon third-party service providers. Such service providers include manufacturers of proprietary custom components for our ProSense and next generation single Probe and MultiSense systems. As we expand our commercial activities, an increased burden will be placed upon the quality of such third-party providers. If third-party providers fail to maintain a high quality of service, our products, business, reputation and operating results could be adversely affected. In addition, poor quality of service by third-party service providers could result in liability claims and litigation against us for damages or injuries.

If we are not able to attract and retain highly skilled managerial, scientific, technical and marketing personnel, we may not be able to implement our business model successfully.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon our senior management as well as other employees, consultants and scientific and medical collaborators. Our management team must be able to act decisively

to apply and adapt our business model in the rapidly changing markets in which we will compete. In addition, we will rely upon technical and scientific employees or third-party contractors to effectively establish, manage and grow our business. Consequently, we believe that our future viability will depend largely on our ability to attract and retain highly skilled managerial, sales, scientific and technical personnel. In order to do so, we may need to pay higher compensation or fees to our employees or consultants than currently expected and such higher compensation payments may have a negative effect on our operating results. Competition for experienced, high-quality personnel in the medical device field is intense. We may not be able to hire or retain the necessary personnel to implement our business strategy. Our failure to hire and retain quality personnel on acceptable terms could impair our ability to develop new products and services and manage our business effectively.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We may evaluate various acquisition opportunities and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and marketing approvals; and
- our inability to generate revenues from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

We are subject to certain U.S. and foreign anticorruption, anti-money laundering, export control, sanctions and other trade laws and regulations. We can face serious consequences for violations.

Among other matters, U.S. and foreign anticorruption, anti-money laundering, export control, sanctions and other trade laws and regulations, which are collectively referred to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors and other partners from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We also expect our non-U.S. activities to increase over time. We plan to engage third parties for clinical trials and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals, and we can be held liable for the corrupt or other illegal activities of our personnel, agents or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

Non-U.S. governments often impose strict price controls, which may adversely affect our future profitability.

We may be subject to rules and regulations in the United States and non-U.S. jurisdictions relating to our ProSense and MultiSense systems or any future products. In some countries, including countries of the European Union, or the EU, Japan, or China each of which has developed its own rules and regulations, pricing may be subject to governmental control under certain circumstances. In these countries, pricing negotiations with governmental agencies can take considerable time after the receipt of marketing approval for a medical device candidate. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product to other available products. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability.

We manage our business through a small number of employees and key consultants.

As of August 8, 2021, we had 48 full-time employees, 12 part time employees 1 independent contractor and 2 consultants. Our future growth and success depend to a large extent on the continued services of members of our current management including, in particular, our VP Research and Development and our Chief Executive Officer. Any of our employees and consultants may leave our company at any time, subject to certain notice periods. The loss of the services of any of our executive officers or any key employees or consultants may adversely affect our ability to execute our business plan and harm our operating results. Our operational success will substantially depend on the continued employment of senior executives, technical staff and other key personnel. The loss of key personnel may have an adverse effect on our operations and financial performance

We may need to expand our organization and we may experience difficulties in recruiting needed additional employees and consultants, which could disrupt our operations.

As our development and commercialization plans and strategies develop and because we are leanly staffed, we may need additional managerial, development, operational, sales, marketing, financial, legal and other resources. The competition for qualified personnel in the medical device industry is intense. Due to this intense competition, we may be unable to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

Our management may need to divert its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of additional medical device products. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize medical device products and services and compete effectively will depend, in part, on our ability to effectively manage any future growth.

International expansion of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States or Israel.

Other than our headquarters and other operations which are located in Israel (as further described below), our business strategy incorporates significant international expansion, particularly in anticipated expansion of regulatory approvals of our products. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us to obtain regulatory approvals for the use of our products and services in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;

- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple regulatory, governmental and reimbursement regimes;
- limits in our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance; and
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act, or the FCPA, its books and records provisions or its anti-bribery provisions.

Any of these factors could significantly harm our future international expansion and operations and, consequently, our results of operations.

We face intense competition in the market, and as a result we may be unable to effectively compete in our industry.

The major market players within the cancer cryoablation care market and our primary competitors in the United States and abroad include Boston Scientific and Siemens Healthineers. Some of these companies hold significant market share. Their dominant market position and significant control over the market could significantly limit our ability to introduce or effectively market and generate sales and capture market share.

Many of our competitors have long histories and strong reputations within the industry. They have significantly greater brand recognition, financial and human resources than we do. They also have more experience and capabilities in researching and developing testing devices, obtaining and maintaining regulatory clearances, manufacturing and marketing those products and other requirements, than we do. There is a significant risk that we may be unable to overcome the advantages held by our competition, and our inability to do so could lead to the failure of our business and the loss of your investment. In addition, we may be unable to develop additional products in the future or to keep pace with developments and innovations in the market and lose market share to our competitors.

Competition in the medical devices and cancer treatment market is intense, and can lead to, among other things, price reductions, longer selling cycles, lower product margins, loss of market share and additional working capital requirements. To succeed, we must, among other critical matters, gain consumer acceptance for our ProSense and next generation single Probe and MultiSense systems, as compared to other solutions currently available in the market for the treatment of tumors and potential future medical devices incorporating our principal technology or offering other advanced cryoablation, heat ablation or other non or minimal invasive solutions. For example, since the currently accepted treatment for breast cancer is surgery, we will need to invest resources in educating the medical community and consumers, and establish strategic collaborations before we able to gain market acceptance for our ProSense system as a treatment to breast cancer. If our competitors offer significant discounts on certain products and solutions, we may need to lower our prices or offer other favorable terms in order to compete successfully. Moreover, any broad-based changes to our prices and pricing policies could make it difficult to generate revenues or cause our revenues to decline. Moreover, if our competitors develop and commercialize products and solutions that are more effective or desirable than products and solutions that we may develop, we may not convince our customers to use our products and solutions. Any such changes would likely reduce our commercial opportunity and revenues potential and could materially adversely impact our operating results.

Our commercial success is very much dependent on third-party payors to provide adequate insurance coverage and reimbursement for the use of our systems, or any future products that we may commercialize.

Our ProSense and next generation single Probe and MultiSense systems, and any other product in our development pipeline, is not yet approved for third-party payor coverage or reimbursement in some of the geographical markets in which we operate, or plan to operate in the future. Such reimbursement may vary based on the particular device used in providing services and is based on the identity of the third-party. Our ability to maintain a leading position in the medical device market, and specifically in the cancer care market, depends on our relationships with private third parties.

We expect to engage with private third parties to allow our customers to receive reimbursement from insurance companies for our ProSense and next generation single Probe and MultiSense systems. The loss of a significant number of private third-party contracts may have an adverse effect on our revenues, which could have an adverse effect on our business, financial condition and results of operations. Over the past few years, reimbursement rates from certain third parties have declined, in some cases significantly. There can be no assurance that this trend will not continue or apply on more third parties.

In addition, private third parties may not reimburse any new procedures conducted with our products or reimburse those new clinical procedures at commercially viable rates. The failure to receive reimbursement at adequate levels for our existing or future products may adversely affect demand for those products, our revenues and expected growth. This could have an adverse effect on our business, financial condition and results of operations.

We may be subject to litigation for a variety of claims, which could adversely affect our results of operations, harm our reputation or otherwise negatively impact our business.

We may be subject to litigation for a variety of claims arising from our normal business activities. These may include claims, suits, and proceedings involving labor

and employment, wage and hour, commercial and other matters. The outcome of any litigation, regardless of its merits, is inherently uncertain. Any claims and lawsuits, and the disposition of such claims and lawsuits, could be time-consuming and expensive to resolve, divert management attention and resources, and lead to attempts on the part of other parties to pursue similar claims. Any adverse determination related to litigation could adversely affect our results of operations, harm our reputation or otherwise negatively impact our business. In addition, depending on the nature and timing of any such dispute, a resolution of a legal matter could materially affect our future operating results, our cash flows and our ability to raise capital.

We could become subject to product liability, warranty or similar claims and product recalls that could be expensive, divert management's attention and harm our business reputation and financial results.

Our business exposes us to an inherent risk of potential product liability, warranty or similar claims and product recalls. The medical device industry has historically been litigious, and we face financial exposure to product liability, warranty or similar claims if the use of any of our products were to cause or contribute to injury or death. There is also the possibility that defects in the design or manufacture of any of our products might necessitate a product recall. Although we plan to maintain product liability insurance, the coverage limits of these policies may not be adequate to cover future claims. In the future, we may be unable to maintain product liability insurance on acceptable terms or at reasonable costs and such insurance may not provide us with adequate coverage against potential liabilities. A product liability claim, regardless of merit or ultimate outcome, or any product recall could result in substantial costs to us, damage to our reputation, customer dissatisfaction and frustration and a substantial diversion of management attention. A successful claim brought against us in excess of, or outside of, our insurance coverage could have a material adverse effect on our business, financial condition and results of operations.

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

Most members of our management team do not have experience managing a publicly traded company in the United States, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies in the United States. Although we are a public company in Israel, our management team may not successfully or efficiently manage our transition to being a public company in the United States that is subject to significant regulatory oversight and reporting obligations under the U.S. 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, results of operations and prospects.

Our articles of association provide that, unless we consent to an alternative forum, the federal district courts of the United States shall be the exclusive forum for resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our shareholders' ability to choose the judicial forum for disputes with us, our directors, shareholders, or other employees.

Section 22 of the Securities Act creates concurrent jurisdiction for U.S. federal and state courts over all such Securities Act actions. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our articles of association 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 exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. This exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, and our shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provision.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to the foregoing provision of our articles of association. However, the enforceability of similar forum provisions (including exclusive federal forum provisions for actions, suits, or proceedings asserting a cause of action arising under the Securities Act) in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provision in our articles of association. If a court were to find the exclusive forum provision contained in our articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition, and results of operations.

Although we believe the exclusive forum provision benefit us by providing increased consistency in the application of U.S. federal securities laws or the Companies Law, as applicable, in the types of lawsuits to which they apply, such exclusive forum provision may limit a shareholder's ability to bring a claim in the judicial forum of their choosing for disputes with us or any of our directors, shareholders, officers, or other employees, which may discourage lawsuits with respect to such claims against us and our current and former directors, shareholders, officers, or other employees.

Risks Related to Product Development and Regulatory Approval

Our product candidates and operations are subject to extensive government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business.

We expect our ProSense, next generation single Probe and MultiSense systems and any future products we develop to be regulated by the FDA as medical devices. Regulation in the United States may subject us to the jurisdiction of the FDA, the U.S. Department of Justice, or the DOJ, and the U.S. Health and Human Services-Office of the Inspector General, or the HHS. Outside of the United States, we may be subject to the regulation of the FDA's foreign counterparts as well as other foreign regulators. The FDA and foreign regulatory agencies regulate, among other things, with respect to medical devices: design, development and manufacturing; testing, labeling, content and language of instructions for use and storage; clinical trials; product safety; establishment registration and device listing; marketing, sales and distribution; pre-market clearance and approval; conformity assessment procedures; record keeping procedures; advertising and promotion; recalls and field safety corrective actions; post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to occur, could lead to death or serious injury; post-market approval studies; and product import and export.

The regulations our product candidate is subject to are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales for any approved product. Failure to comply with applicable regulations could jeopardize our ability to sell our future products, if cleared or approved, and result in enforcement actions such as: warning or untitled letters; fines; injunctions; consent decrees; civil penalties; customer notifications; termination of distribution; recalls or seizures of products; administrative detention of medical devices believed to be adulterated or misbranded; delays in the introduction of products into the market; operating restrictions; total or partial suspension of production; refusal to grant future clearances or approvals for new products, new intended uses or modifications to our products; withdrawals or suspensions of current approvals, resulting in prohibitions on sales of our products; and in the most serious cases, criminal prosecution or penalties. The occurrence of any of these events would have a material adverse effect on our business, financial condition and results of operations and could result in shareholders losing their entire investment.

Our, or our partners', clinical trials may encounter delays, suspensions or other problems.

We, or our partners, may encounter problems in clinical trials that may cause us or the FDA or foreign regulatory agencies to delay, suspend or terminate any such clinical trials at any phase. These problems could include the possibility that we may not be able to conduct clinical trials at our preferred sites, enroll a sufficient number of patients for our clinical trials at one or more sites or begin or successfully complete clinical trials in a timely fashion, if at all. Furthermore, we, our partners, the FDA or foreign regulatory agencies may suspend clinical trials at any time if we or they believe the subjects participating in the trials are being exposed to unacceptable health risks or if we or they find deficiencies in the clinical trial process or conduct of the investigation. If clinical trials of any of our products fail, we will not be able to market the product which is the subject of the failed clinical trials. The FDA and foreign regulatory agencies could also require additional clinical trials, which would result in increased costs and significant development delays. Our, or our partners', failure to adequately demonstrate the safety and effectiveness of a product under development could delay or prevent regulatory approval of the product and could have a material adverse effect on our business, prospects, financial condition and results of operations. Finally, the COVID-19 pandemic has

impacted clinical trials broadly. We, or our partners, may experience delays in site initiation and patient enrollment, failures to comply with study protocols, delays in the manufacture of our product candidates for clinical testing and other difficulties in starting or competing our clinical trials, and we do not know if the existence of a vaccine for COVID-19 will have an impact on the potential occurrence of the risks that are associated with clinical trials as a result of COVID-19.

We may not receive, or may be delayed in receiving, the necessary clearances or approvals for our ProSense, next generation single Probe and MultiSense systems or future products in order to commercialize these products in specific countries or regions or in a specific indication, and failure to timely obtain necessary clearances or approvals for our existing or future products would adversely affect our ability to grow our business.

In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510(k) of the Federal Food, Drug, and Cosmetic Act, or the FDCA, or De Novo classification or approval of a pre-market approval application, or a PMA, from the FDA, unless an exemption applies. In the 510(k)-clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data are sometimes required to support substantial equivalence. The FDA may request clinical data in addition that provided from our clinical sites outside the United States. In the process of obtaining De Novo classification or PMA approval, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices.

Modifications to products that are approved through a PMA application generally require FDA approval. Similarly, certain modifications made to products cleared through a 510(k)-clearance process may require a new 510(k) clearance. Both the PMA approval and the 510(k)-clearance process can be expensive, lengthy and uncertain. The FDA's 510(k)-clearance process usually takes from three to 12 months, but can last longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k)-clearance process and generally takes from one to three years, or even longer, from the time the application is submitted to the FDA. In addition, a PMA generally requires the performance of one or more clinical trials. Despite the time, effort and cost, a device may not be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory clearances or approvals could harm our business. Furthermore, even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses for the device or other restrictions or requirements, which may limit the market for the device.

In the United States, we cleared the 510(k) application process and received regulatory approval to market our ProSense system and related accessories systems for the treatment of kidney and liver tumors. Specifically, FDA 510(k) approval covers IceSense3, ProSense, next generation single Probe and MultiSense systems and MultiSense, including the ancillary products thereto, such as Probes and ancillary products, and software updates. However, even after receiving this regulatory approval from the FDA, we require additional approvals from the FDA in order to begin commercialization efforts capable of generating significant revenues for us.

Our 510(k) application may not be cleared by the FDA in a timely manner or at all, in this case we will suggest submitting for De Novo classification and gain FDA agreement. If cleared, any modification to our ProSense system that has not been previously cleared for treatment of the indication for which approval was granted may require us to submit a new 510(k) premarket notification and obtain clearance, or submit a PMA and obtain FDA approval prior to implementing the change. Specifically, any modification to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires a new 510(k) clearance or, possibly, approval of a PMA. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with our decisions regarding whether new clearances or approvals are necessary. We may make modifications or add additional features in the future that we believe do not require a new 510(k) clearance or approval of a PMA. If the FDA disagrees with our determination and requires us to submit new 510(k) notifications or PMA applications for modifications to our previously cleared products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

The FDA can delay, limit or deny clearance or approval of a medical device for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or the applicable regulatory entity or notified body that our product candidates are safe or effective for their intended uses;
- the disagreement of the FDA or the applicable foreign regulatory body with the design or the interpretation of data from pre-clinical studies or clinical trials;
- serious and unexpected adverse effects experienced by participants in our clinical trials;
- the data from our pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required;
- requesting clinical data from our trials at sites located outside of the United States;
- our inability to demonstrate that the clinical and other benefits of the device outweigh the risks;
- the manufacturing process or facilities we use may not meet applicable requirements; and
- the potential for approval policies or regulations of the FDA or applicable foreign regulatory bodies to change significantly in a manner rendering our clinical data or regulatory filings insufficient for clearance or approval.

In order to sell our products in member countries of the European Economic Area, or EEA, our products must comply with the essential requirements of the EU Medical Devices Directive (Council Directive 93/42/EEC) and with the Medical Device Regulations 2017/745 of the European Parliament and of the Council, which will fully enter into force on May 26, 2024. Compliance with these requirements is a prerequisite to be able to affix the Conformité Européene, or CE, mark to our products, without which they cannot be sold or marketed in the EEA. To demonstrate compliance with the essential requirements we must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can issue a European Community, or EC, Declaration of Conformity based on a self-assessment of the conformity of its products with the essential requirements of the EU Medical Devices Directive, a conformity assessment procedure requires the intervention of an organization accredited by a member state of the EEA to conduct conformity assessments, or a Notified Body. Depending on the relevant conformity assessment procedure, the Notified Body would typically audit and examine the technical file and the quality system for the manufacture, design and final inspection of our devices. The Notified Body issues a certificate of conformity following successful completion of a conformity assessment procedure conducted in relation to the medical device and its manufacturer and their conformity with the essential requirements. This certificate entitles

the manufacturer to affix the CE mark and the Notified Body number to its medical devices after having prepared and signed a related EC Declaration of Conformity.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. If we fail to remain in compliance with applicable European laws and directives, we would be unable to continue to affix the CE mark to our products, which would prevent us from selling them within the EEA.

Preliminary data that we or others announce or publish from time to time with respect to our products may change as more data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we, or our partners, may publish or seek to publish preliminary data from ongoing clinical trials, which are based on a preliminary analysis of then-available data. Positive preliminary data may not be predictive of such trial's subsequent or overall results. Preliminary data are subject to the risk that one or more of the results and related findings and conclusions may materially change following a more comprehensive review of the data or as more data become available. Therefore, positive preliminary results in any ongoing clinical trial may not be predictive of such results in the completed trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully evaluate all data. As a result, preliminary data that we report may differ from future results from the same clinical trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, preliminary data should be viewed with caution until the final data are available. Material adverse changes in the final data compared to preliminary data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure. If the interim, top-line or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, in scale, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Healthcare legislative and regulatory reform measures may have a material adverse effect on our business and results of operations.

Our industry is highly regulated and changes in law may adversely impact our business, operations or financial results. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the PPACA, is a sweeping measure intended to, among other things, expand healthcare coverage within the United States, primarily through the imposition of health insurance mandates on employers and individuals and expansion of the Medicaid program. Several provisions of the law may affect us and increase certain of our costs.

In addition, other legislative changes have been adopted since the PPACA was enacted. These changes include aggregate reductions in Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, following passage of the Bipartisan Budget Act of 2018, will remain in effect through 2027 unless additional Congressional action is taken. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on our customers and, accordingly, our financial operations.

We anticipate that the PPACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and an additional downward pressure on the reimbursement our customers may receive for our products. Further, there have been, and there may continue to be, judicial and Congressional challenges to certain aspects of the PPACA. For example, the U.S. Tax Cuts and Jobs Act of 2017, or TCJA, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the PPACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." Additional legislative and regulatory changes to the PPACA, its implementing regulations and guidance and its policies, remain possible in Congress and under the Trump administration. However, it remains unclear how any new legislation or regulation might affect the prices we may obtain for any of our products for which regulatory approval is obtained. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payers. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate significant revenue, attain profitability or commercialize our products in scale.

In addition, the delivery of healthcare in the European Union, including the establishment and operation of health services, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay additional marketing approval of our ProSense system or any initial marketing approval for our ProSense system or any future product candidates, restrict or regulate post-approval activities and affect our ability to commercialize any products for which we obtain marketing approval.

We are currently unable to predict what additional legislation or regulation, if any, relating to the health care industry may be enacted in the future or what effect recently enacted federal legislation or any such additional legislation or regulation would have on our business. The pendency or approval of such proposals or reforms could result in a decrease in the price of our Ordinary Shares or limit our ability to raise capital or to enter into collaboration agreements for the further development and potential commercialization of our products.

Failure to comply with post-marketing regulatory requirements could subject us to enforcement actions, including substantial penalties, and might require us to recall or withdraw a product from the market.

Although we have certain regulatory approvals to market our ProSense system, we are still subject to ongoing and pervasive regulatory requirements governing, among other things, the manufacture, marketing, advertising, medical device reporting, sale, promotion, import, export, registration, and listing of devices. In addition, if we receive additional regulatory approvals to market the ProSense system or regulatory approvals to market the MultiSense system or other products we will likewise remain subject to ongoing regulation. For example, we will be required to submit periodic reports to the FDA as a condition of 510(k) clearance, which we have received for our ProSense system and related accessories, for the treatment of kidney and liver tumors. These reports include information about failures and certain adverse events associated with the device after its clearance. Failure to submit such reports, or failure to submit the reports in a timely manner, could result in enforcement action by the FDA. Following its review of the periodic reports, the FDA might ask for additional information or initiate further investigation.

The regulations to which we are subject are complex and have become more stringent over time. Regulatory changes could result in restrictions on our ability to continue or expand our operations, higher than anticipated costs, or lower than anticipated sales. Even after we have obtained the proper regulatory clearance to market a device, we have ongoing responsibilities under FDA regulations and applicable foreign laws and regulations. The FDA, state and foreign regulatory authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by the FDA, state or foreign regulatory authorities, which may include any of the following sanctions:

- untitled letters or warning letters;
- fines, injunctions, consent decrees and civil penalties;
- recalls, termination of distribution, administrative detention, or seizure of our products;
- customer notifications or repair, replacement or refunds;
- operating restrictions or partial suspension or total shutdown of production;
- delays in or refusal to grant our requests for future clearances or approvals or foreign marketing authorizations of new products, new intended uses, or modifications to existing products;
- withdrawals or suspensions of product clearances or approvals, resulting in prohibitions on sales of our products;
- FDA refusal to issue certificates to foreign governments needed to export products for sale in other countries; and
- criminal prosecution.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our reputation, business, financial condition and results of operations.

In addition, the FDA or state or foreign authorities may change their clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay clearance or approval of our future products under development on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain new clearances or approvals, increase the costs of compliance or restrict our ability to maintain any approvals we are able to obtain. For example, the FDA recently announced forthcoming steps that the FDA intends to take to modernize the premarket notification pathway under Section 510(k) of the FDCA.

Our products must be manufactured in accordance with federal, state and foreign regulations, and we could be forced to recall our devices or terminate production if we fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of our products must comply with the Quality System Regulation, or QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. As manufacturers of electron radiation-emitting products, we are also responsible for compliance with the radiological health regulations and certain radiation safety performance standards.

Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. The FDA enforces the QSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. Our products are also subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing.

Our third-party manufacturers may not take the necessary steps to comply with applicable regulations, which could cause delays in the delivery of our products. In addition, failure to comply with applicable FDA or state or foreign requirements or later discovery of previously unknown problems with our products or manufacturing processes could result in, among other things: warning letters or untitled letters; fines, injunctions or civil penalties; suspension or withdrawal of approvals; seizures or recalls of our products; total or partial suspension of production or distribution; administrative or judicially imposed sanctions; the FDA's refusal to grant pending or future clearances or approvals for our products; clinical holds; refusal to permit the import or export of our products; and criminal prosecution of us, our suppliers or our employees.

Any of these actions could significantly and negatively affect supply of our products. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and experience reduced sales and increased costs.

Current and future legislation may increase the difficulty and cost for us and collaborators, if any, to obtain marketing approval of and commercialize, in scale, our products and affect the prices we, or they, may obtain.

In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs or medical procedures and affect our ability to profitably sell any product candidates for which we obtain marketing approval. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare.

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the Affordable Care Act, was enacted in the United States. Among the provisions of the Affordable Care Act of importance to our potential product candidates, the Affordable Care Act established an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents; expands eligibility criteria for Medicaid programs; increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program; created a new Medicare Part D coverage gap discount program; required certain Affordable Care Act marketplace and other private payor plans to include coverage for preventative services, including vaccinations recommended by the ACIP without cost share obligations (i.e., co-payments, deductibles or co-insurance) for plan members; established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare and Medicaid Innovation at the Centers for Medicare & Medicaid Services, or CMS, to test innovative payment and service delivery models to lower Medicare and Medicaid spending.

Since its enactment, there have been judicial and congressional challenges to numerous aspects of the Affordable Care Act. By way of example, the 2017 Tax Reform Act included a provision repealing the individual mandate, effective January 1, 2019. On December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled

that the individual mandate portion of the Affordable Care Act is an essential and inseverable feature of the Affordable Care Act, and therefore because the mandate was repealed, the remaining provisions of the Affordable Care Act are invalid as well. On December 18, 2019, the U.S. Court of Appeals for the Fifth Circuit upheld the District Court ruling that the individual mandate was unconstitutional, but remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the case, although it is unclear when a decision will be made or how the U.S. Supreme Court will rule. In addition, there may be other efforts to challenge, repeal or replace the Affordable Care Act. We are continuing to monitor any changes to the Affordable Care Act that, in turn, may potentially impact our business in the future.

Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020 under the Coronavirus Aid, Relief and Economic Security Act, unless additional Congressional action is taken. In addition, in January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect customer demand and affordability for our product candidates, if approved, and, accordingly, the results of our financial operations.

We cannot predict whether future healthcare legislative or policy changes will be implemented at the federal or state level or in countries outside of the United States in which we may do business, or the effect any future legislation or regulation will have on us, but we expect there will continue to be legislative and regulatory proposals at the federal and state levels directed at containing or lowering the cost of health care.

The misuse or off-label use of our products may harm our reputation in the marketplace, result in injuries that may lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

Advertising and promotion of our products that obtain marketing approval in the United States may be heavily scrutinized by the FDA, the DOJ, HHS, state attorneys general, members of Congress, and the public. In addition, advertising and promotion of any product that obtains approval outside of the United States may be heavily scrutinized by comparable foreign regulatory authorities.

We expect that, if cleared or approved, our products, will be cleared by the requisite regulatory authorities for specific indications. We expect to train our marketing personnel and direct sales force to not promote our devices for uses outside of the FDA-approved indications for use, known as "off-label uses." We cannot, however, prevent a physician from using our devices off-label, when in the physician's independent professional medical judgment, he or she deems it appropriate. There may be increased risk of injury to patients if physicians attempt to use our devices off-label. Furthermore, the use of our devices for indications other than those approved by the FDA or approved by any foreign regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among healthcare providers and patients.

If the FDA or any state or foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations. We may become subject to such actions and, if we are not successful in defending against such actions, those actions may have a material adverse effect on our business, financial condition and results of operations. Equivalent laws and potential consequences exist in foreign jurisdictions.

In addition, if our products are cleared or approved, healthcare providers may misuse our products or use improper techniques if they are not adequately trained, potentially leading to injury and an increased risk of product liability. If our devices are misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. As described above, product liability claims could divert management's attention from our core business, be expensive to defend and result in sizeable damage awards against us that may not be covered by insurance.

Our products may cause or contribute to adverse medical events or be subject to failures or malfunctions that we are required to immediately report to all relevant regulatory authorities, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

We are subject to the FDA's medical device reporting regulations and similar foreign regulations, which require us to report to the FDA when we receive or become aware of information that reasonably suggests that one or more of our products may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA or other regulatory bodies could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance or approval, seizure of our products or delay in clearance or approval of future products.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Product defects or other errors may occur in the future.

Depending on the corrective action we take to redress a product's deficiencies or defects, the FDA may require, or we may decide, that we will need to obtain new clearances or approvals for the device before we may market or distribute the corrected device. Seeking such clearances or approvals may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Many federal, state and foreign healthcare laws and regulations apply to medical devices. We may be subject to certain federal and state regulations, including the federal healthcare programs' Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, offering, receiving, or paying any remuneration, directly or indirectly, in cash or in kind, to induce or reward purchasing, ordering or arranging for or recommending the purchase or order of any item or service for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid; the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of, or payment for, healthcare benefits, items or services; the federal Civil Monetary Penalties Law, which authorizes the imposition of substantial civil monetary penalties against an entity that engages in activities including, among others (1) knowingly presenting, or causing to be presented, a claim for services not provided as claimed or that is otherwise false or fraudulent in any way; (2) arranging for or contracting with an individual or entity that is excluded from participation in federal healthcare programs to provide items or services reimbursable by a federal healthcare program; (3) violations of the federal Anti-Kickback Statute; or (4) failing to report and return a known overpayment; the federal False Statements Statute, which prohibits knowingly and willfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry, in connection with the delivery of or payment for healthcare benefits, items, or services; the federal civil False Claims Act, or the FCA, which prohibits, among other things, knowingly presenting, or causing to be presented claims for payment of government funds that are false or fraudulent, or knowingly making, using or causing to be made or used a false record or statement material to such a false or fraudulent claim, or knowingly concealing or knowingly and improperly avoiding, decreasing, or concealing an obligation to pay money to the federal government; and other federal and state false claims laws. The FCA prohibits anyone from knowingly presenting, conspiring to present, making a false statement in order to present, or causing to be presented, for payment to federal programs (including Medicare and Medicaid) claims for items or services that are false or fraudulent, claims for items or services not provided as claimed, or claims for medically unnecessary items or services. This law also prohibits anyone from knowingly underpaying an obligation owed to a federal program. Increasingly, U.S. federal agencies are requiring nonmonetary remedial measures, such as corporate integrity agreements in FCA settlements. The DOJ announced in 2016 its intent to follow the "Yates Memo," taking a far more aggressive approach in pursuing individuals as FCA defendants in addition to corporations.

The majority of states also have statutes similar to the federal Anti-Kickback Statute and false claims laws that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, that apply regardless of whether the payer is a government entity or a private commercial entity. The Federal Open Payments, or Physician Payments Sunshine Act, program requires manufacturers of products for which payment is available under Medicare, Medicaid or the State Children's Health Insurance Program, to track and report annually to the federal government (for disclosure to the public) certain payments and other transfers of value made to physicians and teaching hospitals as well as disclosure of payments and other transfers of value provided to physicians and teaching hospitals, and ownership and investment interests held by physicians and other healthcare providers and their immediate family members and applicable group purchasing organizations. Our failure to appropriately track and report payments to the government could result in civil fines and penalties, which could adversely affect the results of our operations. In addition, several U.S. states and localities have enacted legislation requiring medical device companies to establish marketing compliance programs, file periodic reports with the state, and/or make periodic public disclosures on sales, marketing, pricing, clinical trials, and other activities. Other state laws prohibit certain marketing-related activities including the provision of gifts, meals or other items to certain healthcare providers. Many of these laws and regulations contain ambiguous requirements that government officials have not yet clarified. Given the lack of clarity in the laws and their implementation, our reporting actions could be subject to the penalty provisions of the pertinent federal and state laws and regulations.

The medical device industry has been under heightened scrutiny as the subject of government investigations and enforcement actions involving manufacturers who allegedly offered unlawful inducements to potential or existing customers in an attempt to procure their business, including arrangements with physician consultants. If our operations or arrangements are found to be in violation of such governmental regulations, we may be subject to civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs and the curtailment of our operations. All of these penalties could adversely affect our ability to operate our business and our financial results.

Changes in laws or regulations relating to data protection, or any actual or perceived failure by us to comply with such laws and regulations or our privacy policies, could materially and adversely affect our business or could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results.

We expect to receive health information and other highly sensitive or confidential information and data of patients and other third parties (e.g., healthcare providers who refer patients for scans), which we expect to compile and analyze. Collection and use of this data might raise privacy and data protection concerns, which could negatively impact our business. There are numerous federal, state and international laws and regulations regarding privacy, data protection, information security, and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other data, and the scope of such laws and regulations may change, be subject to differing interpretations, and may be inconsistent among countries and regions we intend to operate in (e.g., the United States, the European Union and Israel), or conflict with other laws and regulations. The regulatory framework for privacy and data protection worldwide is, and is likely to remain for the foreseeable future, uncertain and complex, and this or other actual or alleged obligations may be interpreted and applied in a manner that we may not anticipate or that is inconsistent from one jurisdiction to another and may conflict with other rules or practices including ours. Further, any significant change to applicable laws, regulations, or industry practices regarding the collection, use, retention, security, or disclosure of data, or their interpretation, or any changes regarding the manner in which the consent of relevant users for the collection, use, retention, or disclosure of such data must be obtained, could increase our costs and require us to modify our services and candidate products, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process patients' data or develop new services and features.

In particular, we will be subject to U.S. data protection laws and regulations (i.e., laws and regulations that address privacy and data security) at both the federal and state levels. The legislative and regulatory landscape for data protection continues to evolve, and in recent years there has been an increasing focus on privacy and data security issues. Numerous federal and state laws, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws, govern the collection, use, and disclosure of health-related and other personal information. Failure to comply with such laws and regulations could result in government enforcement actions and create liability for us (including the imposition of significant civil or criminal penalties), private litigation and/or adverse publicity that could negatively affect our business. For instance, California enacted the California Consumer Privacy Act (CCPA) on June 28, 2018, which took 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 data. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability, and many similar laws have been proposed at the federal level and in other states.

In addition, we expect to obtain health information that is subject to privacy and security requirements under the Health Information Technology for Economic and Clinical Health, or HITECH, and its implementing regulations. The Privacy Standards and Security Standards under HIPAA establish a set of standards for the protection of individually identifiable health information by health plans, health care clearinghouses and certain health care providers, referred to as Covered Entities, and the business associates with whom Covered Entities enter into service relationships pursuant to which individually identifiable health information may be exchanged. Notably, whereas HIPAA previously directly regulated only Covered Entities, HITECH makes certain of HIPAA's privacy and security standards also directly applicable to Covered Entities' business associates. As a result, both Covered Entities and business associates are now subject to significant civil and criminal penalties for failure to comply with Privacy Standards and Security Standards. As part of our normal operations, we expect to collect, process and retain personal identifying information regarding patients, including as a business associate of Covered Entities, so we expect to be subject to HIPAA, including changes implemented through HITECH, and we could be subject to criminal penalties if we knowingly obtain or disclose individually identifiable health information in a manner that is not authorized or permitted by HIPAA. A data breach affecting sensitive personal information, including health information, also could result in significant legal and financial exposure and reputational damages that could potentially have an adverse effect on our business.

HIPAA requires Covered Entities (like many of our potential customers) and business associates, like us, to develop and maintain policies and procedures with respect to protected health information that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information. HITECH expands the notification requirement for breaches of patient-identifiable health information, restricts certain disclosures and sales of patient-identifiable health information and provides for civil monetary penalties for HIPAA violations. HITECH also increased the civil and criminal penalties that may be imposed against Covered Entities and business associates and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and its implementing regulations and seek attorney's fees and costs associated with pursuing federal civil actions. Additionally, certain states have adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA.

Internationally, many jurisdictions have or are considering enacting privacy or data protection laws or regulations relating to the collection, use, storage, transfer, disclosure and/or other processing of personal data, as well as certification requirements for the hosting of health data specifically. Such laws and regulations may include data hosting, data residency or data localization requirements (which generally require that certain types of data collected within a certain country be stored and processed within that country), data export restrictions, international transfer laws (which prohibit or impose conditions upon the transfer of such data from one country to another), or may require companies to implement privacy or data protection and security policies, enable users to access, correct and delete personal data stored or maintained by such companies, inform individuals of security breaches that affect their personal data or obtain individuals' consent to use their personal data. For example, European legislators adopted the EU's General Data Protection Regulation (2016/679), or GDPR, which became effective on May 25, 2018, and are now in the process of finalizing the ePrivacy Regulation to replace the European ePrivacy Directive (Directive 2002/58/EC as amended by Directive 2009/136/EC). The GDPR, supplemented by national laws and further implemented through binding guidance from the European Data Protection Board, imposes more stringent EU data protection requirements and provides for significant penalties for noncompliance. Further, the United Kingdom's initiating a process to leave the EU has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, the United Kingdom has brought the GDPR into domestic law with the Data Protection Act 2018 which will remain in force, even if and when the United Kingdom leaves the EU.

Virtually every jurisdiction in which we expect to operate has established its own data security and privacy legal framework with which we must, and our target customers will need to, comply, including the rules and regulation mentioned above. We may also need to comply with varying and possibly conflicting privacy laws and regulations in other jurisdictions. As a result, we could face regulatory actions, including significant fines or penalties, adverse publicity and possible loss of business.

While we are preparing to implement various measures intended to enable us to comply with applicable privacy or data protection laws, regulations and contractual obligations, these measures may not always be effective and do not guarantee compliance. Any failure or perceived failure by us to comply with our contractual or legal obligations or regulatory requirements relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our customers, partners or patients to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers or partners may limit the adoption and use of, and reduce the overall demand for, our products and services. Additionally, if third parties we work with violate applicable laws, regulations, or agreements, such violations may put the data we have received at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our customers, partners or patients to lose trust in us, and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

If we do not obtain and maintain international regulatory registrations, clearances or approvals for our products, we will be unable to market and sell our products.

Sales of our products are subject to foreign regulatory requirements that vary widely from country to country. Approval procedures vary among countries and can involve additional testing. The time required to obtain approvals may differ substantially. While the regulations of some countries may not impose barriers to marketing and selling our products or only require notification, others require that we obtain the clearance or approval of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining registrations, clearances or approvals, can be expensive and time-consuming, and we may not receive regulatory clearances or approvals in each country in which we plan to market our products or we may be unable to do so on a timely basis. The time required to obtain registrations, clearances or approvals, if required by other countries, may be longer than that required for FDA clearance or approval, and requirements for such registrations, clearances or approvals may significantly differ from FDA requirements. If we modify our products, we may need to apply for additional regulatory clearances or approvals before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations that we have received. If we are unable to maintain our authorizations in a particular country, we will no longer be able to sell the applicable product in that country.

Regulatory clearance or approval by the FDA does not ensure registration, clearance or approval by regulatory authorities in other countries, and registration, clearance or approval by one or more foreign regulatory authorities does not ensure registration, clearance or approval by regulatory authorities in other foreign countries or by the FDA. However, a failure or delay in obtaining registration or regulatory clearance or approval in one country may have a negative effect on the regulatory process in others.

Legislative or regulatory reforms in the United States or the EU may make it more difficult and costly for us to obtain regulatory clearances or approvals for our products or to manufacture, market or distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulation of medical devices. In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval or clearance of our future products under development or impact our ability to modify our currently cleared products on a timely basis. Over the last several years, the FDA has proposed reforms to its 510(k)-clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k)-clearance process for their products. For example, in November 2018, FDA officials announced forthcoming steps that the FDA intends to take to modernize the premarket notification pathway under Section 510(k) of the FDCA. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) clearance pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k)-clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. In May 2019, the FDA solicited public feedback on these proposals. The FDA requested public feedback on whether it should consider certain actions that might require new authority, such as whether to sunset certain older devices that were used as predicates under the 510(k) clearance pathway. These proposals have not yet been finalized or adopted, and the FDA may work with Congress to implement such proposals through legislation. Accordingly, it is unclear the extent to which any proposals, if adopted, could impose additional regulatory requirements on us that could delay our ability to obtain new 510(k) clearances, increase the costs of compliance, or restrict our ability to maintain our current clearances, or otherwise create competition that may negatively affect our business.

More recently, in September 2019, the FDA finalized guidance describing an optional "safety and performance based" premarket review pathway for manufacturers of "certain, well-understood device types" to demonstrate substantial equivalence under the 510(k) clearance pathway by showing that such device meets objective safety and

performance criteria established by the FDA, thereby obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA intends to develop and maintain a list device types appropriate for the "safety and performance based" pathway and will continue to develop product-specific guidance documents that identify the performance criteria for each such device type, as well as the testing methods recommended in the guidance documents, where feasible. The FDA may establish performance criteria for classes of devices for which we or our competitors seek or currently have received clearance, and it is unclear the extent to which such performance standards, if established, could impact our ability to obtain new 510(k) clearances or otherwise create competition that may negatively affect our business.

In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future products or make it more difficult to obtain clearance or approval for, manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require: additional testing prior to obtaining clearance or approval; changes to manufacturing methods; recall, replacement or discontinuance of our products; or additional record keeping.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be promulgated that could prevent, limit or delay regulatory clearance or approval of our future products. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. For example, certain policies of the Trump administration may impact our business and industry. Namely, the Trump administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, FDA's ability to engage in routine oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these executive actions will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose restrictions on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval or clearance that we may have obtained and we may not achieve or sustain profitability.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation (Regulation 2017/745), which repeals and replaces the EU Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EEA member states, the regulations would be directly applicable, i.e., without the need for adoption of EEA member state laws implementing them, in all EEA member states and are intended to eliminate current differences in the regulation of medical devices among EEA member States. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation. Among other things, the Medical Devices Regulation:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for follow-up regarding the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthened rules for the assessment of certain high-risk devices, which may have to undergo an additional check by experts before they are placed on the market.

These modifications may have an effect on the way we conduct our business in the EEA.

Disruptions at the FDA and other government agencies could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and clear or approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new medical devices or modifications to cleared or approved medical devices to be reviewed and/or approved by necessary government agencies, which would adversely affect our business.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020 the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain effective patent rights for our products and services, we may not be able to compete effectively in our markets. If we are unable to protect the confidentiality of our trade secrets or know-how, such proprietary information may be used by others to compete against us.

Our success and future revenues growth will depend, in part, on our ability to protect our patent rights. In addition to the protection afforded by any patents that may be granted, historically, we have relied on trade secret protection and confidentiality agreements with our employees, consultants, and contractors to protect proprietary know-how that is not patentable or that we elect not to patent, processes that are not easily known, knowable or easily ascertainable, and for which patent infringement is difficult to monitor and enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, agreements may be breached, trade secrets may be difficult to protect, and we may not receive adequate remedies for any breach. In addition, our trade secrets and intellectual property may otherwise become known or be independently discovered by competitors or other unauthorized third parties.

There is no guarantee that the patent registration applications that we submitted with regards to our technologies will result in patent registration. In the event of failure to complete patent registration, our developments will not be proprietary, which might allow other entities to manufacture our products or design our services and compete with

them.

Further, there is no assurance that all potentially relevant prior art relating to our patent applications has been found, which can invalidate a patent or prevent a patent from issuing from a pending patent application. Even if patents do successfully issue, and even if such patents cover our products or services, third parties may challenge their validity, enforceability, or scope, which may result in such patents being narrowed, found unenforceable or invalidated. Furthermore, even if they are unchallenged, our patent applications and any future patents may not adequately protect our intellectual property, products or services and provide exclusivity for our new products or services or prevent others from designing around our claims. Furthermore, there is no guarantee that third parties will not infringe or misappropriate our patents or similar proprietary rights. In addition, there can be no assurance that we will not have to pursue litigation against other parties to assert its rights.

Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

If we cannot obtain and maintain effective patent rights for our products and services, we may not be able to compete effectively, and our business and results of operations would be harmed.

We cannot provide any assurances that our trade secrets and other confidential proprietary information will not be disclosed in violation of our confidentiality agreements or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Also, misappropriation or unauthorized and unavoidable disclosure of our trade secrets and intellectual property could impair our competitive position and may have a material adverse effect on our business. Additionally, if the steps taken to maintain our trade secrets and intellectual property are deemed inadequate, we may have insufficient recourse against third parties for misappropriating any trade secret.

Intellectual property rights of third parties could adversely affect our ability to commercialize our products and services, and we might be required to litigate or obtain licenses from third parties in order to develop or market our product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

It is inherently difficult to conclusively assess our freedom to operate without infringing on third-party rights. Our competitive position may be adversely affected if existing patents or patents resulting from patent applications issued to third parties or other third-party intellectual property rights are held to cover our products or services or elements thereof, or our manufacturing or uses relevant to our development plans. In such cases, we may not be in a position to develop or commercialize products or services or our product candidates (and any relevant services) unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. There may also be pending patent applications that if they result in issued patents, could be alleged to be infringed by our new products or services. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our new products or services or seek a license from any patent holders. No assurances can be given that a license will be available on commercially reasonable terms, if at all.

It is also possible that we have failed to identify relevant third-party patents or applications. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our new products or services could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our services, our new products or the use of our new products. Third-party intellectual property right holders may also actively bring infringement claims against us. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in pursuing the development of and/or marketing our new products or services. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing our new products or services that are held to be infringing. We might, if possible, also be forced to redesign our new products so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing new products and services. As our industries expand and more patents are issued, the risk increases that our products and services may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, designs or methods of manufacture related to the use or manufacture of our products or services. There may be currently pending patent applications or continued patent applications that may later result in issued patents that our products or services may infringe. In addition, third parties may obtain patents or services in the future and claim that use of our technologies infringes upon these patents.

If any third-party patents were held by a court of competent jurisdiction to cover aspects of our processes for designs, or methods of use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product candidate unless we obtain a license or until such patent expires or is finally determined to be invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all.

Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our products or services. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or services, or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

Patent policy and rule changes could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any issued patents.

Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of any patents that may issue from our patent applications or narrow the scope of our patent protection. The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. We therefore cannot be certain that we were the first to file the invention claimed in our owned and licensed patent or pending applications, or that we or our licensor were the first to file for patent protection of such inventions. Assuming all other requirements for patentability are met, in the United States prior to March 15, 2013, the first to make the claimed invention without undue delay in filing, is entitled to the patent, while generally outside the United States, the first to file a patent application is entitled to the patent. After March 15, 2013, under the Leahy-Smith America Invents Act, or the Leahy-Smith Act, enacted on September 16, 2011, the United States has moved to a first to file system. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications will be prosecuted and may also affect patent litigation. In general, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any issued patents, all of which could have a material adverse effect on our business

and financial condition.

We may be involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming, and unsuccessful.

Competitors may infringe our intellectual property. If we were to initiate legal proceedings against a third-party to enforce a patent covering one of our new products or services, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the United States Patent and Trademark Office, or USPTO, or made a misleading statement, during prosecution. Under the Leahy-Smith Act, the validity of U.S. patents may also be challenged in post-grant proceedings before the USPTO. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

Derivation proceedings initiated by third parties or brought by us may be necessary to determine the priority of inventions and/or their scope with respect to our patent or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring our new products or services to market.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Ordinary Shares.

We may be subject to claims challenging the inventorship of our intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in, or right to compensation, with respect to our current patent and patent applications, future patents or other intellectual property as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our products or services. Litigation may be necessary to defend against these and other claims challenging inventorship or claiming the right to compensation. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, and defending patents on products and services, as well as monitoring their infringement in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States.

Competitors may use our technologies develop their own products or services in jurisdictions where we have not obtained patent protection to and may export infringing products or services to territories where we have patent protection, but where patents are not enforced as strictly as they are in the United States. These products or services may compete with our products or services. Future patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, which could make it difficult for us to stop the marketing of competing products or services in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our future patents at risk of being invalidated or interpreted narrowly, put the issuance of our patent applications at risk, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and any damages or other remedies that we may be awarded, may not be commercially meaningful. Accordingly, our efforts to monitor and enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Risks Related to the Ownership of our Ordinary Shares

Future sales of our Ordinary Shares could reduce the market price of our Ordinary Shares.

Substantial sales of our Ordinary Shares on the Nasdaq Capital Market, including following this offering, may cause the market price of our Ordinary Shares to decline. Sales by our security holders of substantial amounts of our Ordinary Shares, or the perception that these sales may occur in the future, could cause a reduction in the market price of our Ordinary Shares.

The issuance of any additional Ordinary Shares or any securities that are exercisable for or convertible into Ordinary Shares, may have an adverse effect on the market price of our Ordinary Shares and will have a dilutive effect on our existing shareholders and holders of Ordinary Shares.

Our principal shareholders, officers and directors currently beneficially own approximately 75.83% of our Ordinary Shares. They will therefore be able to exert significant control over matters submitted to our shareholders for approval.

As of the date of this prospectus, our principal shareholders, officers and directors beneficially own approximately 75.83% of our Ordinary Shares. This significant concentration of share ownership may adversely affect the trading price for our Ordinary Shares because investors often perceive disadvantages in owning shares in companies with controlling shareholders. As a result, these shareholders, if they acted together, could significantly influence or even unilaterally approve matters requiring approval by our shareholders, including the election of directors and the approval of mergers or other business combination transactions. The interests of these shareholders may not always coincide with our interests or the interests of other shareholders.

Because we are a "controlled company" within the meaning of the Nasdaq Stock Market rules, our shareholders may not have certain corporate governance protections that are available to shareholders of companies that are not controlled companies.

So long as more than 50% of the voting power for the election of directors is held by an individual, a group or another company, we will qualify as a "controlled

company" within the meaning of the Nasdaq Stock Market rules. As of the date of this prospectus, and as of the date of our listing on Nasdaq, Epoch Partner Investments Limited controls approximately 55.41% of the combined voting power of our outstanding capital stock. As a result, we are a "controlled company" within the meaning of the Nasdaq Stock Market rules and are not subject to the requirements that would otherwise require us to have: (i) a majority of independent directors; (ii) a nominating committee comprised solely of independent directors; (iii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (iv) director nominees selected, or recommended for the board of directors selection, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. As of the date of this prospectus, we do not intend to take advantage of the exemptions from the Nasdaq Stock Market corporate governance listing requirements available to a "controlled company". However, should we later choose to do so, you may not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements.

We do not know whether a market for the Ordinary Shares will be sustained or what the trading price of the Ordinary Shares will be and as a result it may be difficult for you to sell your Ordinary Shares.

Although we intend to list the Ordinary Shares on Nasdaq, an active trading market for the Ordinary Shares may not be sustained. It may be difficult for you to sell your Ordinary Shares without depressing the market price for the Ordinary Shares or at all. As a result of these and other factors, you may not be able to sell your Ordinary Shares at or above the offering price or at all. Further, an inactive market may also impair our ability to raise capital by selling Ordinary Shares and may impair our ability to enter into strategic partnerships or acquire companies, products, or services by using our equity securities as consideration.

We have never paid cash dividends on our share capital, and we do not anticipate paying any cash dividends in the foreseeable future.

We have never declared or paid cash dividends, and we do not anticipate paying cash dividends in the foreseeable future. Therefore, you should not rely on an investment in Ordinary Shares as a source for any future dividend income. Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors.

We may need additional capital, and the sale of additional shares or equity or debt securities could result in additional dilution to our stockholders.

We may need to raise additional capital through a combination of private and public equity offerings, debt financings and collaborations, and strategic and licensing arrangements. To the extent that we raise additional capital through the issuance of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our Ordinary Shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring debt, making capital expenditures or declaring dividends. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates or grant licenses on terms that are not favorable to us. If we are unable to raise additional funds through equity or debt financing when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We may be a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes in the current taxable year or may become one in any subsequent taxable year. There generally would be negative tax consequences for U.S. taxpayers that are holders of the Ordinary Shares if we are or were to become a PFIC.

Based on the projected composition of our income and valuation of our assets, we do not expect to be a PFIC for 2021, and we do not expect to become a PFIC in the future, although there can be no assurance in this regard. The determination of whether we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. We will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which either (1) at least 75% of our gross income is "passive income" or (2) on average at least 50% of our assets by value produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, certain dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. Passive income also includes amounts derived by reason of the temporary investment of funds, including those raised in a public offering. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account. The tests for determining PFIC status are applied annually, and it is difficult to make accurate projections of future income and assets which are relevant to this determination. In addition, our PFIC status may depend in part on the market value of the Ordinary Shares. Accordingly, there can be no assurance that we currently are not or will not become a PFIC in the future. If we are a PFIC in any taxable year during which a U.S. taxpayer holds the Ordinary Shares, such U.S. taxpayer would be subject to certain adverse U.S. federal income tax rules. In particular, if the U.S. taxpayer did not make an election to treat us as a "qualified electing fund", or QEF, or make a "mark-to-market" election, then "excess distributions" to the U.S. taxpayer, and any gain realized on the sale or other disposition of the Ordinary Shares by the U.S. taxpayer: (1) would be allocated ratably over the U.S. taxpayer's holding period for the Ordinary Shares; (2) the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC would be taxed as ordinary income; and (3) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. In addition, if the U.S. Internal Revenues Service, or the IRS, determines that we are a PFIC for a year with respect to which we have determined that we were not a PFIC, it may be too late for a U.S. taxpayer to make a timely QEF or mark-to-market election. U.S. taxpayers that have held the Ordinary Shares during a period when we were a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC in subsequent years, subject to exceptions for U.S. taxpayer who made a timely QEF or mark-to-market election. A U.S. taxpayer can make a QEF election by completing the relevant portions of and filing IRS Form 8621 in accordance with the instructions thereto. We do not intend to notify U.S. taxpayers that hold the Ordinary Shares if we believe we will be treated as a PFIC for any taxable year in order to enable U.S. taxpayers to consider whether to make a QEF election. In addition, we do not intend to furnish such U.S. taxpayers annually with information needed in order to complete IRS Form 8621 and to make and maintain a valid QEF election for any year in which we or any of our subsidiaries are a PFIC. U.S. taxpayers that hold the Ordinary Shares are strongly urged to consult their tax advisors about the PFIC rules, including tax return filing requirements and the eligibility, manner, and consequences to them of making a QEF or mark-to-market election with respect to the Ordinary Shares in the event that we are a PFIC (see "Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Companies" for additional information).

Risks Related to Israeli Law and Our Operations in Israel

Potential political, economic and military instability in the State of Israel, where our headquarters, members of our management team, our production and research and development facilities are located, may adversely affect our results of operations.

Our executive offices, research and development laboratories and manufacturing facility are located in Caesarea, Israel. In addition, the majority of our key employees, officers and directors are residents of Israel. Accordingly, political, economic and military conditions in Israel may directly affect our business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and groups in its neighboring countries, Hamas (an Islamist militia and political group that has historically controlled the Gaza Strip) and Hezbollah (an Islamist militia and political group based in Lebanon). In addition, several countries, principally in the Middle East, restrict doing business with Israel, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities in

the region or otherwise. Any hostilities involving Israel, terrorist activities, political instability or violence in the region or the interruption or curtailment of trade or transport between Israel and its trading partners could adversely affect our operations and results of operations and the market price of our Ordinary Shares.

Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Although the Israeli government is currently committed to covering 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, if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business, financial condition and results of operations.

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

We expect to be exposed to fluctuations in currency exchange rates, which could adversely affect our results of operations.

We incur expenses in NIS, U.S. dollars, Euros and Chinese Yuan (CNY), but our financial statements are denominated in U.S. dollars. Accordingly, we face exposure to adverse movements in currency exchange rates. Our revenues in the EU is denominated in Euros. Accordingly, we face exposure to adverse movements in the currency exchange rate of the U.S. dollars against the Euro, which may have a negative effect on our revenue. If the U.S. dollar strengthens against the Euro, the translation of these foreign currency denominated transactions will result in decreased revenues in U.S. dollars. Our cost of operations in Israel and in China are influenced by any movements in the currency exchange rate of the NIS and CNY. Such movements in the currency exchange rate may have a negative effect on our financial results. If the U.S. dollar weakens against the NIS and CNY, the translation of the NIS and CNY currency denominated transactions to U.S. dollar will result in increased operating expenses. Similarly, if the U.S. dollar strengthens against NIS and CNY, the translation of these NIS and CNY denominated transactions to U.S. dollars will result in decreased expenses. As exchange rates vary, sales and other operating results, when translated, may differ materially from our or the capital market's expectations.

The termination or reduction of tax and other incentives that the Israeli government provides to Israeli companies may increase our costs and taxes.

The Israeli government currently provides tax and capital investment incentives to Israeli companies, as well as grant and loan programs relating to research and development and marketing and export activities. In recent years, the Israeli government has reduced the benefits available under these programs and the Israeli governmental authorities may in the future further reduce or eliminate the benefits of these programs. We may take advantage of these benefits and programs in the future; however, there can be no assurance that such benefits and programs will be available to us. If we qualify for such benefits and programs and fail to meet the conditions thereof, the benefits could be canceled and we could be required to refund any benefits we might already have enjoyed and become subject to penalties. Additionally, if we qualify for such benefits and programs and they are subsequently terminated or reduced, it could have an adverse effect on our financial condition and results of operations.

We may be required to pay monetary remuneration to our Israeli employees for their inventions, even if the rights to such inventions have been duly assigned to us.

We enter into agreements with our Israeli employees pursuant to which such individuals agree that any inventions created in the scope of their employment are either owned exclusively by us or are assigned to us, depending on the jurisdiction, without the employee retaining any rights. A portion of our intellectual property has been developed by our Israeli employees during their employment for us. Under the Israeli Patent Law, 5727-1967, or the Patent Law, inventions conceived by an employee during the course of his or her employment and within the scope of said employment are considered "service inventions. Service inventions belong to the employer by default, absent a specific agreement between the employee and employer otherwise. The Patent Law also provides that if there is no agreement regarding the remuneration for the service inventions, even if the ownership rights were assigned to the employer, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for these inventions. The Committee has not yet determined the method for calculating this Committee-enforced remuneration. While it has previously been held that an employee may waive his or her rights to remuneration in writing, orally or by conduct, litigation is pending in the Israeli labor court is questioning whether such waiver under an employment agreement is enforceable. Although our Israeli employees have agreed that we exclusively own any rights related to their inventions, we may face claims demanding remuneration in consideration for employees' service inventions. As a result, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

We received Israeli government grants for certain of our research and development activities, the terms of which may require us to pay royalties and to satisfy specified conditions in order to manufacture products and transfer technologies outside of Israel. If we fail to satisfy these conditions, we may be required to pay penalties and refund grants previously received.

Our research and development efforts have been financed in part through royalty-bearing grants in an aggregate amount of approximately $2.46 million (including accumulated interest) that we received from the IIA as of December 31, 2020. With respect to the royalty-bearing grants we are committed to pay royalties at a rate of 3% to 3.5% on sales proceeds from our products that were developed under IIA programs up to the total amount of grants received, linked to the U.S. dollar and bearing interest at an annual rate of LIBOR applicable to U.S. dollar deposits. We are further required to comply with the requirements of the Israeli Encouragement of Industrial Research, Development and Technological Innovation Law, 5744-1984, as amended, and related regulations, or the Research Law, with respect to those past grants. When a company develops know-how, technology or products using IIA grants, the terms of these grants and the Research Law restrict the transfer or license of such know-how, and the transfer of manufacturing or manufacturing rights of such products, technologies or know-how outside of Israel, without the prior approval of the IIA. Therefore, the discretionary approval of an IIA committee would be required for any transfer or license to third parties inside or outside of Israel of know how or for the transfer outside of Israel of manufacturing or manufacturing rights related to those aspects of such technologies. We may not receive those approvals. Furthermore, the IIA may impose certain conditions on any arrangement under which it permits us to transfer technology or development.

The transfer or license of IIA-supported technology or know-how outside of Israel and the transfer of manufacturing of IIA-supported products, technology or know-how outside of Israel may involve the payment of significant amounts, depending upon the value of the transferred or licensed technology or know-how, our research and development expenses, the amount of IIA support, the time of completion of the IIA-supported research project and other factors. These restrictions and requirements for payment may impair our ability to sell, license or otherwise transfer our technology assets outside of Israel or to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel. Furthermore, the consideration available to our shareholders in a transaction involving the transfer outside of Israel of technology or know-how developed with IIA funding (such as a merger or similar transaction) may be reduced by any amounts that we are required to pay to the IIA.

We may not be able to enforce covenants not-to-compete under current Israeli law that might result in added competition for our products.

We have non-competition agreements with all of our employees, all of which are governed by Israeli law. These agreements prohibit our employees from competing with or working for our competitors, generally during their employment and for up to 12 months after termination of their employment. However, Israeli courts are reluctant to enforce non-compete undertakings of former employees and tend, if at all, to enforce those provisions for relatively brief periods of time in restricted geographical areas, and only when the employee has obtained unique value to the employer specific to that employer's business and not just regarding the professional development of the employee. If

we are not able to enforce non-compete covenants, we may be faced with added competition.

Provisions of Israeli law and our articles of association may delay, prevent or otherwise impede a merger with, or an acquisition of, us, which could prevent a change of control, even when the terms of such a transaction are favorable to us and our shareholders.

Israeli corporate law regulates mergers, requires tender offers for acquisitions of shares above specified thresholds, requires special approvals for transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to such types of transactions. For example, a merger may not be consummated unless at least 50 days have passed from the date on which a merger proposal is filed by each merging company with the Israel Registrar of Companies and at least 30 days have passed from the date on which the shareholders of both merging companies have approved the merger. In addition, a majority of each class of securities of the target company must approve a merger. Moreover, a tender offer for all of a company's issued and outstanding shares can only be completed if the acquirer receives positive responses from the holders of at least 95% of the issued share capital. Completion of the tender offer also requires approval of a majority of the offerees that do not have a personal interest in the tender offer, unless, following consummation of the tender offer, the acquirer would hold at least 98% of the Company's outstanding shares. Furthermore, the shareholders, including those who indicated their acceptance of the tender offer, may, at any time within six months following the completion of the tender offer, claim that the consideration for the acquisition of the shares does not reflect their fair market value, and petition an Israeli court to alter the consideration for the acquisition accordingly, unless the acquirer stipulated in its tender offer that a shareholder that accepts the offer may not seek such appraisal rights, and the acquirer or the company published all required information with respect to the tender offer prior to the tender offer's response date.

Furthermore, Israeli tax considerations may make potential transactions unappealing to us or to our shareholders whose country of residence does not have a tax treaty with Israel exempting 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 a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which sales and dispositions of shares of the participating companies are subject to certain restrictions. 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. These provisions could delay, prevent or impede an acquisition of us or our merger with another company, even if such an acquisition or merger would be beneficial to us or to our shareholders.

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

We were incorporated in Israel. Substantially all of our executive officers and directors reside outside of the United States, and all of our assets and most of the assets of these persons are located outside of the United States. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not be enforced by an Israeli court. It also may be difficult for you to effect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Additionally, it may be difficult for an investor, or any other person or entity, to initiate an action with respect to U.S. securities laws 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 in which 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 proven as a fact by expert witnesses, 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 that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court (see "Enforceability of Civil Liabilities" for additional information on your ability to enforce a civil claim against us and our executive officers or directors named in this prospectus).

Your rights and responsibilities as a shareholder will be governed in key respects by Israeli laws, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

The rights and responsibilities of the holders of our Ordinary Shares are governed by our articles of association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in U.S. companies. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders, and to refrain from abusing its power in such company, including, among other things, in voting at a general meeting of shareholders on matters such as amendments to a company's articles of association, increases in a company's authorized share capital, mergers and acquisitions and related party transactions requiring shareholder approval, as well as a general duty to refrain from discriminating against other shareholders. In addition, a shareholder who is aware that it possesses the power to determine the outcome of a vote at a meeting of the shareholders or to appoint or prevent the appointment of a director or executive officer in the company has a duty of fairness toward the company. There is limited case law available to assist us in understanding the nature of these duties or the implications of these provisions. These provisions may be interpreted to impose additional obligations and liabilities on holders of our ordinary shares that are not typically imposed on shareholders of U.S. companies.

General Risk Factors

Our business may be impacted by changes in general economic conditions.

Our business is subject to risks arising from changes in domestic and global economic conditions, including adverse economic conditions in markets in which we operate, which may harm our business. For example, the current COVID-19 pandemic has caused significant volatility and uncertainty in U.S. and international markets. If our future customers significantly reduce spending in areas in which our technology and products are utilized, or prioritize other expenditures over our technology and products, our business, financial condition, results of operations and prospects would be materially adversely affected.

Disruption to the global economy could also result in a number of follow-on effects on our business, including a possible slow-down resulting from lower customer expenditures; inability of customers to pay for products, solutions or services on time, if at all; more restrictive export regulations which could limit our potential customer base; negative impact on our liquidity, financial condition and share price, which may impact our ability to raise capital in the market, obtain financing and secure other sources of funding in the future on terms favorable to us.

In addition, the occurrence of catastrophic events, such as hurricanes, storms, earthquakes, tsunamis, floods, medical epidemics and other catastrophes that adversely affect the business climate in any of our markets could have a material adverse effect on our business, financial condition and results of operations. Some of our operations are located in areas that have been in the past, and may be in the future, susceptible to such occurrences.

Changes in financial accounting standards may cause adverse and unexpected revenues fluctuations and impact our results of operations.

A change in accounting standards or practices could harm our operating results. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may harm our operating results or the way we conduct our business.

The JOBS Act will allow us to postpone the date by which we must comply with some of the laws and regulations intended to protect investors and to reduce the amount of information we provide in our reports filed with the SEC, which could undermine investor confidence in our company and adversely affect the market price of the Ordinary Shares.

For so long as we remain an "emerging growth company" as defined in the JOBS Act, we intend to take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies" including:

- the provisions of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting;

- Section 107 of the JOBS Act, which provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This means that an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are electing to delay the adoption of some of the new or revised accounting standards. As a result of this adoption, our financial statements may not be comparable to companies that comply with the public company effective date;

- any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor's report on the financial statements; and

- our ability to furnish two rather than three years of income statements and statements of cash flows in various required filings.

We intend to take advantage of these exemptions until we are no longer an "emerging growth company." We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual gross revenues of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Ordinary Shares that is held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We cannot predict if investors will find the Ordinary Shares less attractive because we may rely on these exemptions. If some investors find the Ordinary Shares less attractive as a result, there may be a less active trading market for the Ordinary Shares, and our market prices may be more volatile and may decline.

As a "foreign private issuer" we are subject to less stringent disclosure requirements than domestic registrants and are permitted, and may in the future elect to follow certain home country corporate governance practices instead of otherwise applicable SEC and Nasdaq requirements, which may result in less protection than is accorded to investors under rules applicable to domestic U.S. registrants.

As a foreign private issuer and emerging growth company, we may be subject to different disclosure and other requirements than domestic U.S. registrants and non-emerging growth companies. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we intend to rely on exemptions from certain U.S. rules which will permit us to follow Israeli legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants.

We will follow Israeli laws and regulations that are applicable to Israeli companies. However, Israeli laws and regulations applicable to Israeli companies do not contain any provisions comparable to the U.S. proxy rules, the U.S. rules relating to the filing of reports on Form 10-Q or 8-K or the U.S. rules relating to liability for insiders who profit from trades made in a short period of time, as referred to above.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic registrants that are non-accelerated filers are required to file their annual report on Form 10-K within 90 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information, although we will be subject to Israeli laws and regulations having substantially the same effect as Regulation Fair Disclosure. As a result of the above, even though we are required to file reports on Form 6-K disclosing the limited information which we have made or are required to make public pursuant to Israeli law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. registrant.

These exemptions and leniencies will reduce the frequency and scope of information and protections to which you are entitled as an investor.

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, the next determination will be made with respect to us on June 30, 2021. In the future, we would lose our foreign private issuer status if a majority of our shareholders, directors or management are U.S. citizens or residents and we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic registrant may be significantly higher.

We may be subject to securities litigation, which is expensive and could divert management attention.

In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could seriously hurt our business. Any adverse determination in litigation could also subject us to significant liabilities.

We will incur significant increased costs as a result of the listing of our securities for trading on Nasdaq. By becoming a public company in the United States, our management will be required to devote substantial time to new compliance initiatives as well as compliance with ongoing U.S. requirements.

Upon the listing of securities on Nasdaq, we will become a publicly traded company in the United States. As a public company in the United States, we will incur additional significant accounting, legal and other expenses that we did not incur before the offering. We also anticipate that we will incur costs associated with corporate governance requirements of the SEC, as well as requirements under Section 404 and other provisions of the Sarbanes-Oxley Act. We expect these rules and regulations to increase our legal and financial compliance costs, introduce new costs such as investor relations, stock exchange listing fees and shareholder reporting, and to make some activities more time consuming and costly. The implementation and testing of such processes and systems may require us to hire outside consultants and incur other significant costs. Any future changes in the laws and regulations affecting public companies in the United States, including Section 404 and other provisions of the Sarbanes-Oxley Act, and the rules and regulations adopted by the SEC, for so long as they apply to us, will result in increased costs to us as we respond to such changes. These laws, rules and regulations could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. 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.

Our business and operations might be adversely affected by security breaches, including any cybersecurity incidents.

We depend on the efficient and uninterrupted operation of our computer and communications systems, and those of our consultants, contractors and vendors, which we use for, among other things, sensitive company data, including our intellectual property, financial data and other proprietary business information.

While certain of our operations have business continuity and disaster recovery plans and other security measures intended to prevent and minimize the impact of IT-related interruptions, our IT infrastructure and the IT infrastructure of our consultants, contractors and vendors are vulnerable to damage from cyberattacks, computer viruses, unauthorized access, electrical failures and natural disasters or other catastrophic events. We could experience failures in our information systems and computer servers, which could result in an interruption of our normal business operations and require substantial expenditure of financial and administrative resources to remedy. System failures, accidents or security breaches can cause interruptions in our operations and can result in a material disruption of our targeted phage therapies, product candidates and other business operations. The loss of data from completed or future studies or clinical trials could result in delays in our research, development or regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur regulatory investigations and redresses, penalties and liabilities and the development of our product candidates could be delayed or otherwise adversely affected.

Even though we believe we carry commercially reasonable business interruption and liability insurance, we might suffer losses as a result of business interruptions that exceed the coverage available under our insurance policies or for which we do not have coverage. For example, we are not insured against terrorist attacks or cyberattacks. Any natural disaster or catastrophic event could have a significant negative impact on our operations and financial results. Moreover, any such event could delay the development of our product candidates.

Our business and operations would suffer in the event of computer system failures, cyber-attacks or a deficiency in our cybersecurity.

Despite the implementation of security measures intended to secure our data against impermissible access and to preserve the integrity and confidentiality of our data, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our new products development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur material legal claims and liability, including under data privacy laws such as the GDPR, damage to our reputation, and the further development of our new products could be delayed.

Sales of a significant number of shares of our Ordinary Shares in the public markets or significant short sales of our Ordinary Shares, or the perception that such sales could occur, could depress the market price of our Ordinary Shares and impair our ability to raise capital.

Sales of a substantial number of shares of our Ordinary Shares or other equity-related securities in the public markets, could depress the market price of our Ordinary Shares. If there are significant short sales of our Ordinary Shares, the price decline that could result from this activity may cause the share price to decline more so, which, in turn, may cause long holders of the Ordinary Shares to sell their shares, thereby contributing to sales of Ordinary Shares in the market. Such sales also may impair our ability to raise capital through the sale of additional equity securities in the future at a time and price that our management deems acceptable, if at all.

The market price of our Ordinary Shares may be highly volatile, and you could lose all or part of your investment.

The market price of our Ordinary Shares is likely to be volatile. This volatility may prevent you from being able to sell your Ordinary Shares at or above the price you paid for your securities. Our share price could be subject to wide fluctuations in response to a variety of factors, which include:

- whether we achieve our anticipated corporate objectives;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in our financial or operational estimates or projections;
- our ability to implement our operational plans;
- termination of the lock-up agreement or other restrictions on the ability of our stockholders to sell shares after this offering;
- changes in the economic performance or market valuations of companies similar to ours; and
- general economic or political conditions in the United States or elsewhere.

In addition, the stock market in general, and the stock of publicly-traded medical device companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our Ordinary Shares, regardless of our actual operating performance, and we have little or no control over these factors.

Our securities will be traded on more than one market or exchange and this may result in price variations.

Our Ordinary Shares have been trading on the TASE since February 2, 2011. Assuming that our Ordinary Shares are listed for trading on the Nasdaq, trading in our Ordinary Shares will take place in different currencies (U.S. dollars on the Nasdaq and NIS on the TASE), and at different times (resulting from different time zones, trading days, and public holidays in the United States and Israel). The trading prices of our securities on these two markets may differ due to these and other factors. Any decrease in the price of our Ordinary Shares on the TASE could cause a decrease in the trading price of our Ordinary Shares on the Nasdaq.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they adversely change their recommendations or publish negative reports regarding our business or the Ordinary Shares, our share price and trading volume could decline.

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. We do not have any control over these analysts and we cannot provide any assurance that analysts will cover us or provide favorable coverage. If any of the analysts who may cover us adversely change their recommendation regarding the Ordinary Shares, or provide more favorable relative recommendations about our competitors, the price of our Ordinary Shares would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price of our Ordinary Shares or trading volume to decline.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements made under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus constitute forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" "intends" or "continue," or the negative of these terms or other comparable terminology.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition, expected capital needs and expenses, statements relating to the research, development, completion and use of our products, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate

Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things:

- our planned level of revenues and capital expenditures;
- our ability to market and sell our products;
- our plans to continue to invest in research and development to develop technology for both existing and new products;
- our ability to maintain our relationships with suppliers, manufacturers and other partners;
- our ability to maintain or protect the validity of our European, U.S. and other patents and other intellectual property;
- our ability to retain key executive members;
- our ability to internally develop and protect new inventions and intellectual property;
- our ability to expose and educate physicians and other medical professionals about the use cases of our products;
- our expectations regarding our tax classifications;
- interpretations of current laws and the passages of future laws; and
- the impact of COVID-19 and resulting government actions on us, our manufacturers, suppliers and facilities in which our ProSense system is used or in which our products are undergoing trials.

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in this prospectus in greater detail under the heading "Risk Factors" and elsewhere in this prospectus. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this prospectus.

LISTING DETAILS

Our Ordinary Shares have been trading on the TASE under the symbol "ICCM" since February 2011. We have applied to list the Ordinary Shares on Nasdaq under the symbol "ICCM." Although we believe that as of the closing of the January 2021 SPA we meet the initial listing criteria for listing our Ordinary Shares on Nasdaq, there can be no assurance that our application will be approved. As of the date of this prospectus our only listed class of securities will be Ordinary Shares outstanding. All of the Ordinary Shares, including those to be offered by the selling shareholders pursuant to this prospectus, have the same rights and privileges see "Description of Share Capital And Governing Documents").

USE OF PROCEEDS

We will not receive any proceeds from the sale of the Ordinary Shares by the selling shareholders. All net proceeds from the sale of the Ordinary Shares will go to the selling shareholders.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our Ordinary Shares and do not anticipate paying any cash dividends in the foreseeable future. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

The Companies Law imposes further restrictions on our ability to declare and pay dividends.

Payment of dividends may be subject to Israeli withholding taxes (see "Taxation" for additional information).

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2020:

- on an actual basis; and
- on an pro forma basis to give additional effect to the issuance of 11,485,697 Ordinary Shares and cash proceed of $15 million pursuant to the January 2021 SPA.

You should read this table in conjunction with the sections titled "Summary Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2020	
U.S. dollars in thousands	**Actual**	**Pro Forma**
Cash and cash equivalents	3,502	18,099
Deposit	4,669	4,669
Shareholders' equity:		
Ordinary shares	4,524	4,524
Treasury shares	(41)	(41)
Additional paid-in capital	49,701	64,298
Accumulated deficit	(48,536)	(48,536)
Total shareholders' equity	5,648	20,245
Total capitalization	6,525	21,122

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties, including those identified in "Cautionary Note Regarding Forward-Looking Statements" and under "Risk Factors" elsewhere in this prospectus.

Overview

We are a commercial stage medical device company focusing on the research, development and marketing of cryoablation systems and technologies based on LN2 for treating tumors. Cryoablation is the process by which benign and malignant tumors are ablated (destroyed) through freezing such tumors while in a patient's body. Our proprietary cryoablation technology is a minimally invasive alternative to surgical intervention, for tumors, including those found in breast, lungs, kidneys and bones and other indications. Our lead commercial cryoablation product is the ProSense system.

In addition to our existing lead product, the ProSense system, a single probe system, we have developed an additional multi probe system that is expected to have the ability to freeze several tumors simultaneously or larger tumors, which we refer to as our MultiSense system. Currently, we are focusing on developing our next generation MultiSense system, which we intend to commercialize subject to regulatory approvals. In our continued efforts aimed at improving our core technology, we are also in the process of developing our next generation single probe system. While these next generation systems are still in various research and development stages, we expect them to be more efficient and user friendly (see "Business – Our Products – Research and Development" for additional information).

Components of Operating Results

Revenues

Our revenues primarily consist of (i) selling our ProSense system and its disposables and related services; and (ii) revenues from granting the exclusive distribution rights to our products in Japan and Singapore to Terumo Corporation, which also include providing technical, regulatory and clinical materials and support in obtaining regulatory approvals.

Cost of Revenues

Our cost of revenues consists primarily of salaries and related personnel expenses, materials for production of our products, subcontractors' expenses and other related production expenses.

Gross Margin

Gross margin, or gross profit as a percentage of revenue, is affected by a variety of factors which influence our revenues and the cost of goods sold. Revenues are affected mostly by the different selling prices depending on sales channels, territories and the mix of products and currency fluctuation, mainly the U.S. Dollar against the EURO. The cost of revenues is affected mostly by the changes in cost of materials and import costs, subcontractors' costs, cost of personal, and currency fluctuation, mainly the U.S. Dollar against the NIS. Our gross margin, is also affected by production volumes and production efficiency.

Operating Expenses

Our current operating expenses consist of three components — research and development expenses, marketing and sales expenses and general and administrative expenses.

Research and Development Expenses

Our research and development expenses consist primarily of salaries and related benefits, subcontractor's expenses, materials and other related research and development expenses, clinical studies and regulation expenses.

We expect that our research and development expenses will materially increase as we continue to develop our new products, pursue new regulatory indications in the US and other territories, collect updated clinical data, and recruit additional research and development and regulation employees.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries and related benefits, payments to consultants, costs associated with conventions, travel and other marketing and sales expenses.

We expect that our sales and marketing expenses will materially increase as we continue to enhance our market penetration efforts and recruit additional sales and marketing employees.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, professional services fees for accounting, legal, directors' fees, facilities, and associate costs, insurance and other general and administrative expenses. We expect our general and administrative expenses to increase as a result of the listing on Nasdaq and expansion of our business.

Financial expense and income

Financial expenses and income consist primarily of exchange rate differences, interest expenses on cash and cash equivalents, deposits and other assets and liabilities which are denominated in NIS and Euros.

Comparison of the Years Ended December 31, 2020 and 2019

Results of Operations

The following table summarizes our results of operations for the periods presented.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Revenues	3,868	1,627
Cost of revenues	1,424	1,103
Gross profit	2,444	524
Research and development expenses	3,809	3,001
Marketing and sales expenses	1,063	1,035
General and administrative expenses	1,714	1,272
Operating loss	4,142	4,784
Financial income, net	(412)	(233)
Net loss and comprehensive loss	3,730	4,551
Basic and diluted net loss per share	0.218	0.334

Revenues

The following table summarizes our revenues through types for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Systems	1,817	786
Disposables	1,006	493
Exclusive distribution agreement	1,045	348
Total	3,868	1,627

The following table summarizes our revenues by geographic region for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Japan	2,097	512
United States	276	231
China	-	220
Spain	207	211
Israel	7	65

Thailand	528	-
Other	753	388
Total	3,868	1,627

Our revenues for the year ended December 31, 2020 increased by 138% to $3,868 thousand, compared to $1,627 thousand revenues for the year ended December 31, 2019. The increase is attributable to an increase of 131% in revenues from sales of our systems which amounted to revenues of $1,817 thousand for the year ended December 31, 2020 compared to $786 thousand for the year ended December 31, 2019, increase of 104% in revenues from sales of our probes to $1,006 thousand for the year ended December 31, 2020 compared to $493 thousand for the year ended December 31, 2019, and increase of 200% in revenues from our exclusive distribution agreement with Terumo Corporation to $1,045 thousand for the year ended December 31, 2020 compared to $348 thousand for the year ended December 31, 2019.

Accordingly, our revenues in Japan increased by 310% to $2,097 thousand for the year ended December 31, 2020, of which $1,052 are from sales of products, most of which generated from Terumo Corporation's initial order, and $1,045 are revenues from our exclusive distribution agreement with Terumo Corporation. For the year ended December 31, 2019, our revenues from sales of products in Japan were $164 thousand and our revenues from our exclusive distribution agreement with Terumo Corporation were $348 thousand. Our revenues from sales in the United States increased by 19% to $276 thousand for the year ended December 31, 2020, compared to $231 thousand for the year ended December 31, 2019. We did not have any sales in China in 2020 since we are in the process to obtain regulatory approvals for our Probes. In Thailand, following obtaining regulatory approval, our revenues in 2020 were $528 thousand compared to no sales in 2019.

Cost of Revenues and Gross Profit

The following table summarizes our cost of revenues for the periods presented, as well as presenting the gross profit as a percentage of total revenues. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Payroll and related benefits (including Share-based compensation)	655	473
Raw materials, subcontractors, and auxiliary materials (including changes in inventories)	461	389
Shipping	39	69
Royalties to IIA	116	48
Others	153	124
Total	1,424	1,103
Gross profit	2,444	524
Gross profit %	63.1 %	32.2%

Our cost of revenues for the year ended December 31, 2020 increased by 29.1% to $1,424 thousand, compared to $1,103 thousand for the year ended December 31, 2019, whereas our gross profit for the year ended December 31, 2020 increased by 366% to $2,444 thousand, which is 63.2% of our revenues in 2020, compared to $1,103 thousand for the year ended December 31, 2019 which is 32.2% of our revenues in 2019. The increase in absolute gross profit is primarily due to increase in volume of sales of products and revenues from our exclusive distribution agreement with Terumo Corporation. The increase in our gross profit margin is primarily attributable to: (i) allocation of fixed costs and overhead expenses on a higher volume of sales; (ii) increased efficiency production process; and (iii) revenues from our exclusive distribution agreement with Terumo Corporation which did not have corresponding production expenses.

Research and development expenses

The following table summarizes our research and development costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Payroll and related benefits (including share-based compensation)	2,273	1,730
Raw materials, subcontracted work and consulting	1,058	866
Others	478	405
Total	3,809	3,001

Research and development, or R&D, expenses increased by 26.9% to $3,809 thousand 2020, compared with $3,001 thousand in 2019. This increase reflects our strategy regarding focusing on the development of our next generation MultiSense, and single probe systems, and regulatory activity. The increase is primarily due to increase in employee related costs, raw materials subcontractors and consulting.

Sales and marketing expenses

The following table summarizes our sales and marketing costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Payroll and related benefits (including Share-based compensation)	576	403
Consultants and professional services	157	150
Travel	29	167
Advertising and promotion expenses	36	41
Sales Commissions	57	33
Others	208	241
Total	1,063	1,035

Selling and marketing expenses for the year ended December 31, 2020 increased by 2.7% to $1,063 thousand, compared to $1,035 thousand in 2019. The increase of selling and marketing expenses compared in 2020, reflects our strategy regarding the expansion of our marketing activities, that was limited in part due to restrictions imposed due to COVID-19. The increase during the year 2020 compared to the year 2019 is mostly due to an increase in salary and related expenses and sales commissions, which was

partially offset by a decrease in travel expenses following the spread of COVID-19, and other selling and marketing expenses.

General and administrative expenses

The following table summarizes our general and administrative costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Payroll and related benefits (including Share-based compensation)	965	833
Professional services	611	347
Others	138	92
Total	1,714	1,272

General and administrative expenses increased by 34.7% to $1,714 thousand for the year ended December 31, 2020, compared to $1,272 thousand for the year ended December 31, 2019. This increase is primarily due to additional payroll and related benefits, legal, audit and other expenses relating to the preparation of the listing of the Company's Ordinary Shares on Nasdaq.

Operating loss

Based on the foregoing, our operating loss decreased from $4,784 thousand for the year ended December 31, 2019 to $4,142 thousand for the year ended December 31, 2020.

Financial income, net

Financial income, net for the year ended December 31, 2020 was $412 thousand compared to $233 thousand for the year ended December 31, 2019. The increase in our financial income net is primarily because of the effect of the NIS strengthening against the U.S. dollar on our net NIS denominated assets, including cash and cash equivalents, deposits and other net liquid liabilities.

Net loss

Net loss for the year ended December 31, 2020 decreased by $821 thousand or 18%, to $3,730 thousand, compared with a net loss of $4,551 thousand for the year ended December 31, 2019. This decrease is primarily attributable to: (i) the increase in revenues and gross profit which attributed to the decrease in operating loss, and (ii) the increase in net financial income, as described above.

Critical Accounting Policies and Estimates

We describe our significant accounting policies more fully in Note 2 to our financial statements for the year ended December 31, 2019. We believe that the accounting policy below is critical in order to fully understand and evaluate our financial condition and results of operations.

We prepare our financial statements in accordance with U.S. GAAP. At the time of the preparation of the financial statements, our management is required to use estimates, evaluations, and assumptions which affect the application of the accounting policy and the amounts reported for assets, obligations, income, and expenses. Any estimates and assumptions are continually reviewed. The changes to the accounting estimates are credited during the period in which the change to the estimate is made.

Use of estimates in the preparation of financial statements:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. Actual results could differ from those estimates.

Share-based compensation

We measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include options, performance-based awards, share appreciation rights, and employee share purchase plans. We amortize such compensation amounts, if any, over the respective service periods of the award. We use the Black-Scholes-Merton option pricing model, or the Black-Scholes Model, an acceptable model in accordance with ASC 718, Compensation-Stock Compensation, to value options. Option valuation models require the input of assumptions, including the expected life of the stock-based awards, the estimated stock price volatility, the risk-free interest rate, and the expected dividend yield. The risk-free interest rate assumption is based upon the yield from Israel Treasury zero-coupon bonds with an equivalent term. Estimated volatility is a measure of the amount by which our stock price is expected to fluctuate each year during the term of the award. Our calculation of estimated volatility is based on historical stock prices over a period equal to the expected term of the awards. The average expected life of options was based on the contractual terms of the stock option using the simplified method. We utilize a dividend yield of zero based on the fact that we have never paid cash dividends and have no current intention to pay cash dividends. The assumptions used in calculating the fair value of share-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our share-based compensation expense could be materially different in the future. We recognize the compensation expense for share-based compensation granted based on the grant date fair value estimated in accordance with ASC 718. We generally recognize the compensation expense over the employee's requisite service period. We account for forfeitures when they occur.

Liquidity and Capital Resources

Overview

Since our inception through December 31, 2020, we have funded our operations principally from the issuance of Ordinary Shares, options, convertible securities, loans, revenues from sale of products and grants received from the IIA. As of December 31, 2020, we had approximately $ 8,171 thousand in cash and cash equivalents and

short-term bank deposits, compared with $5,789 thousand as of December 31, 2019.

The table below presents our cash flows for the periods indicated.

	Year Ended December 31,	
U.S. dollars in thousands	**2020**	**2019**
Net cash used in operating activities	(3,690)	(1,989)
Net cash used in investing activities	(4,670)	(103)
Net cash provided by financing activities	5,858	3,309
Effect of foreign currency exchange rates on cash and cash equivalents:	215	358
Net increase (decrease) in cash and cash equivalents	(2,287)	1,575

Operating Activities

Cash flows from operating activities consist primarily of loss adjusted for various non-cash items, including depreciation and amortization and share-based compensation expenses. In addition, cash flows from operating activities are impacted by changes in operating assets and liabilities, which include inventories, accounts receivable, other assets, accounts payable and other current liabilities.

Net cash used in operating activities for the year ended December 31, 2020 was $3,690 thousand. This net cash used in operating activities primarily reflects a net loss of $3,730 thousand which is decreased by net non-cash expenses of $77 thousand and increase net of $37 thousand which reflects changes in operating assets and liabilities.

The decrease in operating assets and liabilities for the year ended December 31, 2020 is attributed mainly to an increase in net cash loss of $37 thousand in trade accounts receivable, deposit, inventory, trade accounts payable and other long-term liabilities.. This increase was partially offset due to decrease in trade accounts payable and other long-term liabilities.

Net cash used in operating activities for the year ended December 31, 2019 was $1,989 thousand. This net cash used in operating activities primarily reflects a net loss of $4,551 thousand which is decreased by net non-cash expenses of $46 thousand and decrease net of $2,516 thousand which reflects changes in operating assets and liabilities.

The increase in operating assets and liabilities for the year ended December 31, 2019 is attributed mainly to a decrease in cash loss of $2,306 thousand in other current liabilities due to advance payments received mostly from Terumo Corporation under the exclusive distribution agreement. This decrease was partially offset due to increase in prepaid expenses and other receivables and increase in right of use assets.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2020 was $4,670 thousand. This net cash used in investing activities is primarily attributable to investment in short-term bank deposits in the amount of $4,432 thousand and purchase of property and equipment of $223 thousand. Net cash used in investing activities for the year ended December 31, 2019 was $103 thousand. This cash used in investing activities is attributable to purchase of property and equipment in an aggregate total amount of $103 thousand.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2020 was $5,858 thousand. This net cash is attributed primarily to net proceeds from issuance of Ordinary Shares in a public offering in the net amount of $5,847 and exercise of options in the amount of $11 thousand.

Net cash provided by financing activities for the year ended December 31, 2019 was $3,309 thousand which is attributed to net proceeds from issuance of shares in a public offering and a rights offering.

Financial Arrangements

As of August 8, 2021, our credit arrangements include grants from the IIA.

Since our inception through our initial public offering on TASE on February 2, 2011, we have funded our operations primarily through the private sale of equity securities and convertible debt in an aggregate amount of $8.9 million.

Since our initial public offering on TASE through March 2018, we raised an aggregate of $29.7 million, in public offerings of equity securities, rights offerings and convertible debt, and a private placement to Epoch Investment Partners Limited, or the Epoch SPA, who became our controlling shareholder on February 7, 2015. Pursuant to the Epoch SPA, we received a total of $5,485 thousand against issuance of 1,892,858 Ordinary Shares and 283,929 warrants. The warrants were not exercised and expired. Since than we performed multiple public offerings and rights offerings.

Since March 2018, we have funded our operations mainly through a number of public and rights offerings in an aggregate amount of $11.6 million.

On August 12, 2020, we received an unsecured loan under the United States Small Business Administration, or the SBA, PPP pursuant to the Coronavirus Aid, Relief, and Economic Security Act in the amount of $24,898. The five year SBA-administered PPP loan has an interest rate of 1.0% per annum. According to the terms of the loan, as long as a borrower submits its loan forgiveness application within10 months of the completion of the covered period of such loan, the borrower is not required to make any payments until the forgiveness amount is remitted to the lender by SBA. If the loan is fully forgiven, the borrower is not responsible for any payments. If only a portion of the loan is forgiven, or if the forgiveness application is denied, any remaining balance due on the loan must be repaid by the borrower on or before the maturity date of the loan. Interest accrues during the time between the disbursement of the loan and SBA remittance of the forgiveness amount. In May 2021, the loan was forgiven.

On January 26, 2021, we entered into the January 2021 SPA with the January 2021 Investors. Pursuant to the January 2021 SPA, we will receive an aggregate amount of $15 million, against issuance of 11,485,697 Ordinary Shares. The January 2021 Investors were granted a 12-month participation right following the January 2021 Second Closing, in future financings equal to 50% of the subsequent financing, subject to certain conditions. We also undertook to refrain from issuing any Ordinary Shares or Ordinary Shares equivalents from the date of the January 2021 SPA until 60 calendar days from the January 2021 Second Closing, subject to certain exempt issuances. On March 9, 2021, we received $9 million and issued 6,891,418 Ordinary Shares, and on May 9, 2021, we received $6 million and issued 4,594,279 Ordinary Shares.

In addition, since our inception, we received an aggregate of $2.46 million (including accumulated interest) from the IIA.

Current Outlook

We have financed our operations to date primarily through proceeds from sales of our Ordinary Shares and convertible securities, sales of our products and grants

from the IIA. We have incurred losses and generated negative cash flows from operations since inception in 2006. Since 2012, we have generated revenues from the sale of our products and revenues from granting the exclusive distribution rights to our products in Japan and Singapore to Terumo Corporation, which also include providing technical, regulatory and clinical materials and support in obtaining regulatory approvals.

We expect to generate revenues from the sale of our products and other revenues in the future. However, we do not expect these revenues to support all of our operation in the near future. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the development of our MultiSense system, and continue our commercialization efforts. Furthermore, following the completion of this listing, we expect to incur additional costs associated with operating as a Nasdaq public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations.

As of December 31, 2020, our cash, cash equivalents and short-term deposits were $8,171 thousand, and we had a working capital of $5,875 thousand and an accumulated deficit of $48,536 thousand. On March 9, 2021, pursuant to the January 2021 SPA, we received $9,000 thousand. On May 9, 2021, pursuant to the January 2021 SPA, we received $6,000 thousand. As of June 30, 2021, our cash, cash equivalents and short-term deposits were $18,607 thousand. We expect that our existing cash, cash equivalents and short-term deposits will be sufficient for the next 12 months of operation; however, we expect that we will require substantial additional capital to continue the development of, and to commercialize our products. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future capital requirements will depend on many factors, including:

- our ability to sell our products according to our plans;
- the progress and cost of our research and development activities;
- the costs associated with the manufacturing our products;
- the costs of our clinical trials and obtaining regulatory approvals;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the cost of our commercialization efforts, marketing, sales and distribution of our products the potential costs of contracting with third parties to provide marketing and distribution services for us or for building such capacities internally; and
- the magnitude of our general and administrative expenses.

Until we can generate significant recurring revenues and profit, we expect to satisfy our future cash needs through debt or equity financings. We cannot be certain that additional funding will be available to us when needed, on acceptable terms, if at all. If funds are not available, we may be required to delay, reduce the scope of, or eliminate research or development plans, and/or commercialization efforts and/or regulatory efforts with respect to our products in different territories. This may raise substantial doubts about our ability to continue as a going concern.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We do not engage in off-balance sheet financing arrangements. In addition, we do not engage in trading activities involving non-exchange traded contracts.

Contractual Obligations

The following table summarizes our contractual obligations at December 31, 2020.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases	$ 369	$ 218	$ 151	-	-

Operating lease obligations consist of payments pursuant to lease agreements for our facility in Israel and motor vehicle leases.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our current investment policy is to invest available cash in bank deposits with banks that have a credit rating of at least A-minus. Accordingly, some of our cash and cash equivalents is held in deposits that bear interest. Given the current low rates of interest we receive, we will not be adversely affected if such rates are reduced. Our market risk exposure is primarily a result of U.S. dollar/NIS exchange rates, which is discussed in detail in the following paragraph.

Foreign Exchange Risk

Our results of operations and cash flow are subject to fluctuations due to changes in U.S. dollar/NIS currency exchange rates. A certain portion of our liquid assets is held in U.S. dollars, and the vast majority of our expenses is denominated in NIS. Changes of 5% and 10% in the U.S. dollar/NIS exchange rate would increase/decrease our operating expenses for December 31, 2020 by approximately 8% and 4%, respectively. However, these historical figures may not be indicative of future exposure. Currently, we do not hedge our foreign currency exchange risk. In the future, we may enter into formal currency hedging transactions to decrease the risk of financial exposure from fluctuations in the exchange rates of our principal operating currencies. These measures, however, may not adequately protect us from the material adverse effects of such fluctuations.

BUSINESS

Overview

We are a commercial stage medical device company focusing on the research, development and marketing of cryoablation systems and technologies based on liquid nitrogen, or LN2, for treating tumors. Cryoablation is the process by which benign and malignant tumors are ablated (destroyed) through freezing such tumors while in a patient's body. Our proprietary cryoablation technology is a minimally invasive alternative to surgical intervention, for tumors, including those found in breast, lungs, kidneys,

bones and other indications. Our lead commercial cryoablation product is the ProSense system (pictured below).

In addition to our existing lead product, the ProSense system, a single probe system, we have developed an additional multi probe system that is expected to have the ability to freeze several tumors simultaneously or larger tumors, which we refer to as our MultiSense system. In our continued efforts aimed at improving our core technology, we are currently focusing on developing our next generation MultiSense system, which we intend to commercialize subject to regulatory approvals. We are also in the process of developing our next generation single probe system. While these next generation systems are still in various research and development stages, we expect them to be more efficient and user friendly (see "Business – Our Products – Research and Development" for additional information).

We believe that obtaining regulatory approval for our existing and next generation products for specific indications will help us grow our business. As of August 2021, we have received a broad range of regulatory approvals for our systems to treat tumors in the lungs, kidneys, bones and other indications. In the United States our products are approved as a "single family" known as the "IceCure Family," which includes the IceSense3, ProSense, and MultiSense (which has not been commercialized) cryoablation systems. Although our existing, "IceCure Family" systems have regulatory approvals from the FDA for commercialization in the United States, we have yet to receive regulatory approval for such systems for treatment of malignant breast tumors, which requires a separate approval from the FDA. The FDA classifies medical devices into one of three classes (Class I, Class II, or Class III) depending on their level of risk and the types of controls that are necessary to ensure device safety and effectiveness. The class assignment is a factor in determining the type of premarketing submission or application, if any, that will be required before marketing products in the United States. If the FDA does not approve 510(k) regulatory pathway, we will request that De Novo classification be accepted for our "IceCure Family" systems. If De Novo classification is needed for our "IceCure Family" systems, we will be required to accept special controls imposed by the FDA, mainly on the production process and post-market monitoring. If a De Novo classification is not approved by the FDA as the regulatory pathway, the FDA will accept only PMA, in which case we expect the timeline for marketing approvals would be longer and our costs associated with PMA would be higher compared to 510(k) or De Novo approvals (see "Business – Government Regulation" for additional information).

Obtaining regulatory approvals and developing our next generation MultSense system will require the incurrence of significant costs and our success will depend, in part, on gaining market acceptance. In order to gain market acceptance in the United States, we will require specific approval from the FDA for our ProSense system, which we hope to obtain based on the interim results of our ICE3 trial published on April 29, 2021. Another key step to gain market acceptance depends on obtaining Medicare coverage from the Medicare Coverage of Innovative Technology, or MCIT, the American Society of Breast Surgeons, or the ASBrS, amending their guidelines to support cryoablation as an alternative to surgery, applying for CPT1 codes for cryoablation for breast cancer (with the support of the ASBrS), negotiate medical coverage for our systems from medical insurers and collaborating with a major distributor of medical devices (see "Business – Government Regulation – FDA Regulation of Medical Devices" and "Risk Factors – Risks Related to Product Development and Regulatory Approval" for additional information).

In addition, competition in the medical devices and cancer treatment market is intense. Some of our competitors hold significant market share, have long histories and strong reputations within the industry, greater brand recognition, financial and human resources than we do. They also have more experience and capabilities in researching and developing testing devices, obtaining and maintaining regulatory clearances, manufacturing and marketing those products and other requirements, than we do. Their dominant market position and significant control over the market could significantly limit our ability to introduce or effectively market and generate sales and capture market share.

To date, we have incurred significant operating losses, generated minimal revenues from product sales, and as of December 31, 2020, our accumulated deficit was $48.5 million. We expect that we will need to raise substantial additional funding in the future (see "Risk Factors – Risks Related to Our Financial Condition and Capital Requirements").

In Europe, Singapore, India, Hong Kong, Russia, Thailand, Taiwan, South Africa, Mexico, Australia, Israel, Columbia and Costa Rica we have approvals for either our ProSense or our IceSense3 systems, or, in certain countries, both products. For instance, in China, we have approval for our IceSense3 (without the disposables) (see "Business – Our Products – Regulatory Approvals" below for additional information). In addition, in order to generate significant revenue, we are seeking to pursue additional regulatory approvals for our system for specific indications, in countries where we already have general regulatory approvals. In these countries, we are seeking regulatory approval for the treatment of specific tumors, including those found in breast, lungs, kidneys and bones. In addition, we are also seeking regulatory approvals for our systems in other countries where we believe that there is significant potential for sales of our products.

The procedure using our ProSense system begins with the introduction of our proprietary disposable probe into the tumor through a small pea-sized incision in the skin while the patient is under local anesthesia and/or sedation. The probe is guided by high-resolution ultrasound (for breast tumors) or computed tomography, or CT (for other

indications). For some indications we use guiding needles (introducers) in order to guide the probe to the tumor. Once the probe is in place, LN2 is introduced into the probe in a closed-loop circuit, so that LN2 does not enter the body, and creates a freezing zone around the tip of the probe. During the freeze cycle, an ice ball forms in the freezing zone and encompasses the tumor, ablating the cancer or benign tumor. The ice ball form can be monitored by the physician using ultrasound or CT in order to avoid causing damage to the healthy tissue surrounding the tumor. Several minutes after the procedure is completed, the ice ball thaws and as a result thereof, there is no need for surgical removal of the dead tumor tissue, as the dead tissue is absorbed by the body in a natural process. The entire cryoablation procedure of freeze-thaw-freeze with our ProSense system generally takes between 15 to 40 minutes, depending on the size, type and location of the tumor. The same system configuration can be used and was designed to treat both malignant and non-malignant tumors. However, there is usually a different configuration for the probe handle between the systems used to treat breast tumors (with a primarily straight handle) and used to treat other indications (with a 90-degrees handle) due to the different imaging device that is used in each instance(see “Business – Our Products” for additional information). Pictured below is our system forming an ice ball (which in practice forms around the tissue within the body) in ultrasound gel.

As a minimally invasive alternative to surgery, cryoablation is much less traumatic than open surgery, and, based on current data, we believe this treatment is more affordable, entails less risk and generally results in fewer side effects and complications than open surgery. On the patient side, following procedures with our cryoablation technology, patients usually can resume normal activities within 24 hours after the procedure. In addition, the use of our technology in breast procedures eliminates the need for a post-procedure reconstruction surgery. On the health provider side, procedures with our technology for breast tumors may be carried out in a clinic, while treatment by our ProSense system for other indications can generally be carried out as an outpatient procedure in a CT room. As a result, the potential profit margins for health care providers and payors are potentially greater than most of the current surgical procedures that are conducted in the operating room, which entail additional and expensive cost elements for the operating room and its staff. In addition, we believe that our LN2-based technology provides patients, medical service providers, physicians and insurers with advantages versus our competitors, especially those using heat to treat tumors, also known as thermal ablation. For example, the freezing effect on tissue from cryoablation produces less pain, and accordingly less anesthesia (which also reduces costs). A study published on April 8, 2021 by Elles M.F. van de Voort et al titled "Thermal Ablation as an Alternative for Surgical Resection of Small (≤2 cm) Breast Cancers: A Meta-Analysis" suggested that cryoablation has the lowest complication rate among breast cancer tumor procedures and the advantage of an analgesic effect. In addition, in comparison to the treatment of tumors with heat, when treating a tumor with cryoablation (unlike treatmesnt with heat technology), the freezing does not cause evaporation of the treated tissue and therefore provides the physician conducting the treatment with a clearer view of the tissue, which we believe enables the physician to carry out the procedure more accurately with a precise view of the tumor.

We believe that cryoablation has already started to be recognized for its true potential, and that it represents the future of treatment for certain benign and malignant tumors. Our ongoing business strategy, as further detailed below, is focused on helping us overcome certain factors that have limited our ability to generate significant revenues, including, but not limited to, obtaining additional regulatory clearance, obtaining support of key opinion leaders and leading medical associations for the use of cryoablation (and specifically, our systems) for the treatment of tumors and other indications. In recent years, and in part due to our efforts and accomplishments, cryoablation of malignant breast tumors has been recognized for its vast potential. For example, following preliminary results of our ICE3 trial, which we presented at the yearly conference of the ASBrS in May 2018, in October 2018, the ASBrS, which, among other things, sets guidelines for breast cancer treatment, updated its guidelines on performing cryoablation procedures on breast malignant tumors in their early stages. While not cited by the ASBrS, based on our discussions with the ASBrS, we believe that the results of our study were a factor in the ASBrS decision to update these guidelines. (see “Business – Our Lead Indication and Market Opportunity – Primary Indication – Breast Tumors – Malignant Breast Tumors – Multi-Site Clinical Trial of the Cryoablation System ICE3 Study – United States” for additional information).

In addition to updating its guidelines, the ASBrS also recommend taking part in clinical trials and in registries for treating malignant breast tumors, each relating to cryoablation, to increase the knowledge and data of breast cancer cryoablation. Registries, by which uniform data is collected from patients through observational studies, represent an important stage in the commercialization of technologies and are part of the required procedure for receiving remuneration from health insurance companies.

Recent Developments

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus, or COVID-19, was identified in Wuhan, China. The spread of COVID-19 from China to over 200 countries, including the United States and Israel, resulted in the World Health Organization declaring the outbreak of COVID-19 as a “pandemic,” or a worldwide spread of a new disease.

Due to the burden on health systems and the fear of infection, medical institutions in certain territories restricted elective procedures, including those related to our area of activity. As a result, certain of our plans for 2020 and our plans for 2021 were impacted, including, for example, our ability to hold face to face meetings, conventions and on-site trainings. In addition, although we were able to have certain face to face meetings and hold virtual meetings, our ability to reach new customers was impacted due to travel restrictions and social distancing requirements. We believe that due to the COVID-19 pandemic, investments in new technologies, including, for example, our ProSense system, decreased as customers sought to minimize their capital expenditures. Despite the resulting effects of the COVID-19 pandemic, we do not believe that we have sustained any material adverse effect on our financial condition and operations, and in spite of the COVID-19 pandemic, our revenues for our fiscal year ended December 31, 2020 increased by 138% in comparison to the year ended December 31, 2019 (see “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” for additional information). We continued to face challenges during the first quarter of 2021, and expect to continue to experience COVID-related challenges for the foreseeable future, mainly related to delays in shipments of materials by our suppliers, and disruption in access to new medical service providers and costumers due to the continued restrictions on international travel, direct access to medical service providers and public gatherings. Any disruption of suppliers or access to medical service provider would likely impact our progress, as well as our ability to access capital through the financial markets.

Although we were not able to increase sales to new customers as planned prior to the onset of the COVID-19 pandemic, we believe that certain competitive advantages that our ProSense system has versus surgical treatment helped us generate sales to our existing customers, and avert any material adverse effect on our financial condition or

operations.

We continue to examine the consequences of the COVID-19 pandemic, perform risk assessments and implement operational solutions that we believe will help us deal with the COVID-19 pandemic, we are unable to accurately predict the impact that the COVID-19 pandemic will have on our operations going forward due to uncertainties that will be dictated by the length of time that the COVID-19 pandemic and related disruptions continue, the impact of governmental regulations that might be imposed in response to such pandemic and overall changes in the behavior of our customers.

Revenues and Growth Strategy

Our strategic objective is to be the leader in the field of cryoablation treatment for benign and malignant breast tumors and other interventional oncology indications. Using our innovative ProSense LN2 cryoablation system (and, in the future, potentially using additional systems) and propriety disposable probes and introducers, we intend to create a recurring revenues stream by selling single use probes to the users of our ProSense system. For tumors which are not in the breast, we also sell a disposable (single use) and introducers which is used to assist with navigating the probe to the tumor.

Our revenues are based on a number of business models.

- Sale of the system and disposables to distributors and/or to end users.
- Loan/Lease the system under an end user commitment to purchase a minimum number of disposables per month.

In both models, although we may lease/sell a fixed number of systems over a period of time, the sales of the disposables are tied to the number of procedures conducted (similar to the razor/razor-blade model), and therefore, we expect to sell an increasing number of disposables as the number of procedures increases.

In order to generate significant revenues, we believe that we need to achieve each of the following milestones: (i) FDA approval for commercialization of our products for treatment of malignant tumors in breast, (ii) recommendations for the use of our products in guidelines of medical associations, such as the ASBrS, and (iii) the need to obtain category I CPT code and coverage for our products. We believe that reaching these milestones, while focusing on our business growth strategy, will help us achieve greater revenues. Our growth strategy includes the following actions:

- Obtaining regulatory approval for our ProSense and other future systems in countries within which we do not currently have regulatory approval as well as obtaining regulatory approvals for additional indications in countries within which we already have certain approvals. Specifically, we intend to seek to obtain FDA approval to commercialize our products for the treatment of malignant breast tumors.
- Obtaining clinical data (by conducting both sponsored and independent clinical trials for our systems) and by gaining the support of these key opinion leaders.

- Expanding our distribution network for further commercialization, which may include distribution and/or license agreements or other forms of collaborative agreements.
- Obtaining the relevant approvals to allow for reimbursement to end-users of our systems.
- Having cryoablation treatment included in the recommendation guidelines as a valid treatment option of certain medical associations, such as the ASBrS.
- Continuing research and development efforts aimed at developing our next generation single Probe and MultiSense systems. We believe that completing development and obtaining regulatory approval to commercialize our next generation single Probe and MultiSense systems for a variety of indications, in the United States is necessary in order for us to grow our business.
- Expanding utilization and use of our products for breast cancer treatment by commercial sales and clinical studies around the world.

Our Lead Indication and Market Opportunity

Our lead indication is breast tumors. There are generally two types of breast tumors: those that are non-cancerous, or benign, and those that are cancerous, or malignant.

Primary Indication

Breast Tumors

The national expenditure involved in treating breast tumors (both for benign and malignant tumors), based on the National Cancer Institute increases each year. Thus, in 2010, the cost of treating breast cancer was approximately $16.5 billion in the United States – higher than any other type of cancer. This cost was expected to increase to $20.5 billion by 2020. Individual costs vary, depending on the stage of the malignancy and treatment options selected.

Benign Breast Tumors

The majority of breast tumors are benign (non-cancerous), and are generally not life-threatening compared to breast cancer. Fibroadenomas is a common type of benign breast tumors. They are solid benign (noncancerous) tumors common among women of various ages. Fibroadenoma tumors range in size and on average can be located anywhere in the breast, from the size of a marble to up to 2.5 centimeters in diameter, and tend to grow during pregnancy and breastfeeding. According to scientific publications from recent years, 10% of all women in the world suffer from fibroadenomas, and the phenomenon is particularly common among women under the age of 30 (80% of breast biopsies for women of these ages identify benign tumors). Many physicians and oncologists recommend removal of benign tumors for a variety of reasons, including: concerns that the tumor will increase in size, pain and due to concerns that the existence of a benign breast lump will make it difficult to manually discover breast cancer in the future. However, the vast majority of benign tumors are left untreated for reasons including cost and undesirable cosmetic outcomes, the latter of which, is generally not caused by treatment with our ProSense system.

Clinical Trial in Fibroadenoma (Benign Breast Tumors)

We sponsored and completed a prospective clinical trial in benign breast tumors in the Czech Republic, Israel and Germany. Between April 2009 and September 2012, data was collected from 60 procedures that were performed across four clinical sites located in Czech Republic, Israel and Germany (two sites). The IceSense3 was used to conduct the cryoablation procedures. The primary endpoint was to create an ice ball which would successfully engulf the entire tumor, as seen using ultrasound imaging. Our inclusion criteria were patients over 18 years old with core biopsy-proven breast fibroadenoma between 0.5 cm and 3.0 cm. The expected probability of success was 88%. At the one-year follow-up, in 93% of the cases, the fibroadenomas no longer existed. A June 2015 publication highlighting the data concluded that cryoablation of the fibroadenoma using a LN2 system demonstrated meaningful reduction in volume, palpability, pain and an improvement in cosmetic results from the procedure. No serious adverse events related to the IceSense3 system occurred during the clinical trial.

Malignant Breast Tumors

According to recent estimates from the American Breast Cancer Foundation's publications, breast cancer is the most commonly diagnosed cancer among American women. Of the diagnosed breast cancers, it is estimated by the American Cancer Society that 73% of breast cancers are low-risk, while according to the American Society of Clinical Oncology, localized breast cancer accounts for 63% of total breast cancer incidence. In 2021, it is estimated that about 30% of newly diagnosed cancer in women will be breast cancer, resulting in approximately 281,550 new cases of invasive breast cancer in the United States. Furthermore, the American Breast Cancer Foundation estimates that the mortality rate in 2021 will be 43,600 women. It is further estimated that breast cancer is the second leading cause of cancer-related death in women (after lung cancer). Additionally, the American Cancer Society estimates that from 2008 to 2017 incidence rates have increased slightly by 0.5% per year. More recently, in February 2021, the American Breast Cancer Foundation reported that the average risk of a woman in the United States of developing breast cancer during her lifetime is approximately 13%, which means that there is a one (1) in eight (8) chance that a woman will develop breast cancer over the course of her life. A study conducted by the American Association for Cancer Research suggests that the number of breast cancer patients may increase by 50% by 2030, which shows a significant long-term market growth potential.

Traditional treatment options for malignant breast tumors include surgery, radiation, and chemotherapy. Concerning the surgical path, most breast cancer cases will require to have some type of surgery to remove the tumor. Surgical treatment often entails either breast-conserving surgery, or BCS, in which only the part of the breast containing the cancer is removed, or mastectomy, in which the entire breast is removed, including all of the breast tissue and sometimes also nearby tissue.

Clinical Trials in Cancerous (Malignant) Breast Tumors

We are currently sponsoring and/or participating in three clinical trials in malignant breast tumors spanning across the United States, Japan, Hong Kong and China.

Multi-Site Clinical Trial of the Cryoablation System ICE3 Study – United States

In May 2014, we initiated a multi-site clinical trial in the United States, which included participation of 19 sites in the ICE3 trial. The ICE3 trial was intended to expand the clinical base for using our cryoablation system for treating low-risk, small breast cancer tumors (up to 1.5 centimeters). The primary goal of ICE3 was to assess the effectiveness by the breast tumors local recurrence rates in patients who undergo cryoablation without excision for a follow-up period of five years. The inclusion criteria were patients over 65 years old with core biopsy-proven invasive ductal carcinoma with unifocal primary disease, tumor size less than 1.5 cm, Nottingham grade 1-2, estrogen and/or progesterone receptor positive and HER2 negative and breast size adequate for safe cryoablation.

In February 2019, the last patient was recruited. In total, 211 patients were recruited to the ICE3 trial, 206 of whom have enrolled, and 194 undergone Cryoablation according to the study protocol.

In April 2021, as part of the yearly conference of the ASBrS, the interim results of the ICE3 trial were presented. At the follow up period of 34.83 months following treatment with our cryoablation system, only 2.06% (four patients) experienced cancer recurrence. The 36-month local Failure Free Probability is 99.22%. The statistical analysis presented at the ASBrS conference by Dr. Richard Fine, an ICE3 investigator who serves as Program Director of the Breast Surgical Oncology Fellowship and as Director of Research and Education at the West Comprehensive Breast Center in Germantown, TN, indicates that among patients treated using our cryoablation system, the chance of non-recurrence in a population of patients with low-risk breast cancer, in early stages, and up to 1.5 cm tumor size, for a period of up to three years, is between 94.58%% and 99.89%%, with a statistical significance (confidence level) of 95%. Dr. Fine has also reported that freezing low risk breast tumors in the early stages delivers greater patient satisfaction at a lower cost than traditional interventions. No significant device-related adverse events were reported, and 95% percent of patients and 98% of treating physicians reported satisfaction with the cosmetic results.

We intend to continue monitoring patients for five years after undergoing our cryoablation treatment, and as such, the ICE3 trial is expected to be completed in 2024. In June 2021 we had 49 patients that have completed a five year follow-up, 41 patients that have completed a four-year follow-up, 39 patients that have completed a three-year follow-up, and 51 patients that have completed a two-year follow-up. We believe that the interim results presented at ASBrS conference will assist us in the process of submitting an application for specific approval for breast cancer from the FDA.

Independent Clinical Trial of the Cryoablation System – Japan

Since May 2012, an independent clinical trial has been ongoing at the Kameda Medical Center in Kamogawa, Japan using our IceSense3 cryoablation system. So far, over 400 cryoablation procedures have been conducted using our cryoablation system (in addition to approximately 80 additional procedures with a different system). According to information reported on the International Cryosurgery Society Convention, which was held in September 2019, in 304 of the 400 patients who were treated with cryoablation between 2006 and 2019, the recurrence rate of breast cancer was lower than 1%. The inclusion criteria were patients with histologically-proven breast cancer at stage 0 (TisN0M0) or stage 1 (T1N0M0) with tumor mass and lesion (including the progress within intraductal component) less than 1.0 cm. The primary endpoints were comparing the tumor necrosis rate, cosmetic results of the procedure, clarity of imaging, safety and therapeutic effects of IceSense3 versus a competing cryoablation device.

In addition, since May 2018, an independent investigator initiated clinical trial in Japan at the St. Marianna University School of Medicine Department of Mammary Gland and Endocrine Surgery using our ProSense system. The trial's purpose was conducted in breast cancer tumors of up to 1.5 cm (in their early stages). The inclusion criteria were patients with histologically-proven breast cancer at stage 0 (TisN0M0) or stage 1 (T1N0M0), between the age of 20 and 85 years, HER2 protein expression-negative status, Ki-67 positivity of ≤ 20% and lesion spread of 1.5 cm or less. The trial was completed after the enrollment of seven patients, in which pathology was confirmed using a vacuum-assisted biopsy. In all seven patients, there was no evidence of malignant cells, and following a monitoring period of two years, all seven patients remain disease free with no clinical and imaging evidence. The primary endpoint of this clinical trial was to expand the clinical knowledge of cryoablation of cancerous breast tumors and enable to implement this technology at the St. Marianna University Hospital as a routine procedure. Based on these results, the trial received approval from the hospital to offer cryoablation for breast cancer in a commercial setting.

Independent Clinical Trial of the Cryoablation System –Hong Kong and China

Since November 2018, an independent clinical trial has been ongoing at the Queen Mary Medical Center in Hong Kong and at Hong Kong-Shenzhen University Hospital in China. According to information disclosed by the primary investigator, treatments using our ProSense cryoablation system has been performed to date in 20 patients, out of an expected total patient pool of 150, in which each patient underwent an excision after the cryoablation to examine the ablated area by pathology. Following the first phase, the remaining patients are expected to be monitored according to the standard of care without excision. The purpose of this clinical trial is to expand the clinical knowledge of cryoablation of cancerous breast tumors. The primary endpoints were to demonstrate cryosurgery's efficacy in ablating small breast cancers, safety with low morbidity and the use of PET/MRI as an effective imaging modality to assess post-treatment responses. The inclusion criteria were patients between 18 and 70 years old with core biopsy-proven T0/T1a and b breast cancer or ductal carcinoma in situ.

Other Clinical Indications

We are targeting other tissue tumor ablation for our ProSense system, in organs such as: lungs, kidneys, bones and other organs. Our approach to these indications is to collaborate with hospitals and doctors to conduct clinical trials in order to gain additional information regarding the potential of our products to treat certain diseases. While our cryoablation products have been approved by various regulatory agencies for variety of oncology and surgical uses, we will need to validate our products in specific indications, and in certain situations in order to obtain specific regulatory approvals, and/or to collect medical data, which will be required in order to successfully market our products for these indications.

Lung Cancer

The American Cancer Society has estimated that in 2021, approximately 235,760 new cases of lung and bronchus cancer will be diagnosed in the United States while an estimated of 131,880 patients will die of such cancers in the United States during 2021.

Lung Cancer Clinical Trial

Since November 2013, an independent clinical trial in cryoablation of lung tumors in non-small cell carcinoma or metastatic lesions has been ongoing at the Kameda Medical Center in Kamogawa, Japan using our IceSense3 system. Based on data provided to us, this trial is an ongoing trial, and to date, more than 300 procedures have been performed using our cryoablation system.

In November 2020, the lead investigator for the trial published the results in a peer reviewed article in the European Journal of Radiology. The results in the published article covered the cryoablation treatments in 101 patients during the years 2013 through 2019. The patients in this review were divided into four categories based on the size of maximum tumor diameter, as follows: (1) group 1: tumor size up to 0.9 cm; (2) group 2: tumor size between 1 and 1.2 cm; (3) group 3: tumor size between 1.3 and 1.7 cm; and (4) group 4: tumor size larger than 1.8 cm. Ten patients experienced local recurrences. There were no recurrences in groups 1 or 2 (0%). There was one recurrence in group 3 (4%) and nine in group 4 (33%), indicating local control to be better in smaller tumors ($p<0.001$). The 3-year recurrence-free survival rates were: 86% in group 1; 97% in group 2; 93% in group 3; and 53% in group 4, indicating survival to be better in smaller tumors ($p<0.001$). There were no serious adverse events reported.

The results of the trial, as disclosed in the published article, were that the treatment of tumors in groups 1 and 2 through cryoablation and LN2and local control of the tumor and the lack recurrence of the cancer was more effective than in groups 3 and 4. As part of the trial, tumors treated in groups 1 and 2 did not have local recurrence, while in groups 3 and 4, 4% and 33%, respectively, of the tumors had local recurrence. The 3-year recurrence-free survival rates were: 86% in group 1; 97% in group 2; 92% in group 3; and 53% group 4, indicating the survival to be better in smaller tumors ($p < 0.001$). No patient had treatment-related mortality. The most frequent complication was pneumothorax, with a rate of 24%, while the decrease of pulmonary function was just 3%.

The peer reviewed publication also highlighted that the use of cryoablation treatment with only one needle for the majority of the patients in the trial represented an advantage in comparison to systems that use argon gas, which usually requires the use of 2-3 needles for a procedure on the same tumors size. We believe that the publication of the results of the trial in a peer reviewed publication raises the validity of using our products for the treatment of lung tumors.

Kidney Tumors

The American Cancer Society has estimated that in 2021, approximately 76,080 new cases of kidney and renal pelvis cancer will be diagnosed in the United States, while an estimated of 13,780 patients will die of such cancers in the United States during 2021.

According to an article published in the Journal of Endourology in 2016, the cost of cryoablation of a kidney is about 53% of the cost of an open kidney surgery, also known as an open partial nephrectomy, and 51% of a robot-assisted partial nephrectomy. Despite percutaneous cryoablation being performed in older patients with higher comorbidity indices, percutaneous cryoablation had lower hospitalization times and eliminated the cost of many hospital-related expenses such as room and board.

Kidney Tumors Clinical Trials

In 2012, a clinical trial was initiated at Bnei Zion Medical Center in Haifa, Israel in collaboration with the Shamir/Assaf Harofeh Medical Center in Be’er Ya’akov, Israel. Procedures were performed using our ProSense system for freezing and ablating kidney tumors. The recruitment for this trial is completed.

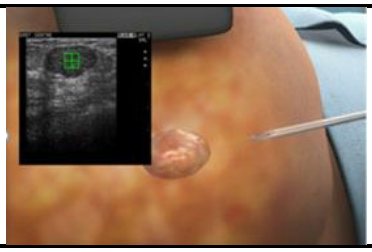
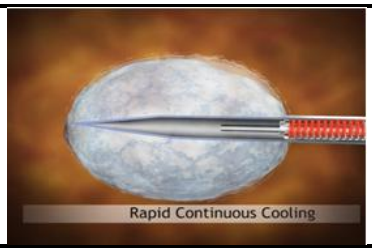
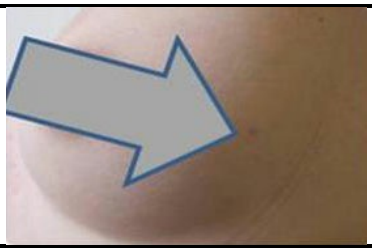
As of January 2021, our IceSense3 and ProSense systems have been used to freeze and ablate kidney tumors in 120 patients as planned in the protocol. Initial results of the clinical trial were also presented in March 2019, as part of the annual conference of the European Association of Urology, held in Barcelona, Spain, which demonstrated treatment of an aggregate of 45 tumors in sizes of up to 4 cm in 42 patients, which had undergone a follow-up of at least 12 months (the average follow-up period was 18.2 months). According to the initial results, the recurrence rate is 7%. In addition, the average cryoablation time was 22 minutes and the average length of the entire treatment was 50.5 minutes per patient. One serious adverse event was reported in this trial where the patient suffered from a blockage at the treated area of the kidney which caused a temporary, partial loss of kidney function and was treated to remove such blockage.

Our Products

Existing Products

Our ProSense system is our second generation cryoablation system comprised of two main parts, the main cryoablation console system, our unique disposable probe, and the associated disposable introducer (guiding needle), which is used for procedures which are not in the breast. Our first product, the IceSense3 was initially designed for cryoablation of breast tumors. After identifying a number of additional possible applications for the use of our technology, such as treating lungs, kidneys and bones, and other possible applications, in 2016 we launched our ProSense system as well as associated disposables (which, as show below, are inserted into the body to conduct the freezing process).

The following illustration demonstrates the course of the cryoablation procedure with our ProSense system in an ultrasound of the breast:

		
Locating the procedure in ultrasound imaging and planning the probe insertion path.	Inserting the probe to the tumor through the selected path, using real-time ultrasound imaging.	
		
Freezing the tumor while creating an ice ball, and then heating the needle for easy removal.	The freezing immediately destroys the tumor tissue.	After the treatment, patients are left without scars and the dead tissues are absorbed into the body.

Research and Development

While we are currently commercializing our single probe ProSense system and its disposables, we are also in the process of developing our next generation single probe system. In addition, we are also focusing on developing our next generation MultiSense system. We started development of our first-generation system for technical proof concept process and evaluation of clinical application in 2006. In the beginning of 2009, we started to develop our IceSense3 system, which was later improved and replaced by the ProSense. Both the IceSense3 and ProSense are commercially available systems which include technical modifications to our first generation system in order to perform clinical procedures. We started developing our MultiSense in 2016 which we did not commercialize.

We intend to commercialize our next generation systems, which will be our third-generation systems, subject to regulatory approvals. Our strategy is to make our next generation systems more efficient and user-friendly in several aspects. We believe that the next generation single probe system will have better performance which will allow it to create a bigger ice ball. The physical size of the system will have a smaller footprint, which is an important factor in CT rooms and clinics. Since our next generation MultiSense system will have more than one probe, it will have freezing capabilities that both our current and next generation systems do not have, such as the ability to treat tumors in more than one location simultaneously. We believe that our next generation MultiSense system will help us to increase our ability to penetrate the non-breast tumors market more easily and allow us to offer a more innovative product.

We are continuing our research and development efforts to complete development of both the next generation single probe system and the MultiSense system and intend to commence commercialization, subject to applicable regulatory approval, in the future. We currently expect to complete development of the next generation single probe system for limited release by the second quarter of 2022 and our MultiSense system during the first quarter of 2024. Even if we complete development as planned, we do not yet know if and when we will begin to commercialize these systems or whether commercialization of such systems will lead to us generating increased revenue.

Regulatory Approvals

We have received a broad range of regulatory approvals for our products in the United States, Europe, China (IceSense3 system only), Singapore, Hong Kong, Mexico, Australia, Israel, Columbia, Costa Rica, India (only for disposables (see "– India" below for additional information), Thailand, Russia, South Africa and Taiwan. Moreover, we are pursuing additional regulatory approvals in other indications in existing countries and in other countries where we believe that there is significant potential for sales. For example, Japan (for specific approval in certain indications), China (for disposables and for our ProSense system, which is an upgrade to the already approved IceSense3) and the United States (for specific approval for breast cancer).

We market our ProSense for a specific indication per the rules and medical device classification in the specific territory.

United States

In the United States, we received from the U.S. Food and Drug Administration, or FDA, 510(k) approval for our IceSense3, ProSense and MultiSense and the related disposables. On December 10, 2007, we received initial 510(k) clearance for our IceSense3 system for ablation indications specific to urology, oncology, dermatology, gynecology, general surgery, thoracic surgery and proctology. On November 29, 2010, we received 510(k) clearance for our IceSense3 system for the ablation of breast fibroadenomas under general surgery. On December 20, 2019, we received 510(k) approval to allow us to market and sell our IceCure family (which includes Icesense3, ProSense and MultiSense) systems for the treatment of breast fibroadenomas, prostate and kidney tissue, liver metastases, tumors, skin lesions, and other indications, and treat our products as "one family of products," which means that any additional approval given by the FDA in relation to the family of products will apply automatically to the "family" as one product, without the need for FDA approval for each separate system; provided, however, that we expect to require individual approvals for our products from the FDA if we seek marketing approval for a new specific indication, as is the case for the use of these products for breast cancer.

On December 31, 2020, we submitted a pre-submission package to the FDA for approval of breast cancer indication, based on our ICE3 trial interim results for our Icecure family systems. As part of the pre-submission package, we requested that we receive approval for this indication through the 510(k) submission pathway or De Novo classification. There can be no guarantee that the FDA approves the use of any of our products for the treatment of this indication, or, even if approval is given to market our products, there can be no guarantee that the approval is given via the 510(k) pathway or De Novo classification, which could result in additional costs and a longer timeline until we receive any such approval. If we do not receive approval via the 510(k) pathway or De Novo classification, we may seek to receive a PMA. See "Government Regulation – PMA Pathway" for additional information. We intend to continue to work closely with the FDA in hopes of receiving specific approval for breast cancer cryoablation, which we believe will help us grow our commercialization efforts in the United States.

On March 31, 2021, we were granted Breakthrough Device Designation, or BDD, from the FDA for our ProSense system, for treatment for various indications, including for use in the treatment of patients with T1 invasive breast cancer and/or patients not suitable for surgical alternatives for the treatment of breast cancer.

Europe – CE Mark

In Europe, we received Conformitè Europëenne, or CE, mark approval for our ProSense cryoablation system and its disposables with indications for use as a cryosurgical tool in the fields of general surgery, dermatology, thoracic surgery, gynecology, oncology, proctology and urology, which enable us to sell our ProSense in order to perform procedures in the indications we aim to such as breast cancer, Kidney, lung, bone and other indications.

Europe, South Africa and Asia

In Europe, Singapore, Hong Kong and South Africa, our ProSense system has specific approval for cryoablation of benign and malignant tumors in the breast, lung, bone and liver. In China, only our IceSense3 is approved for use, without probes or other disposables.

In China, the IceSense3 console has National Medical Products Administration, or NMPA (formerly the China Food and Drug Administration, or CFDA) approval. We have received an additional five year renewal up to June 3, 2026. We are also working on the IceSense3 application to add disposables. We, also working on a new application for our ProSense and disposables. Until we receive a NMPA approval for our disposables, we will only be able to sell the IceSese3 system and provide, free of charge, the disposables solely for non-commercial purposes, such as research and training for medical teams.

In Japan, our ProSense and disposables are not yet approved by the Japanese regulatory authority, the Pharmaceuticals and Medical Devices Agency, or PMDA. We started to sell our products in Japan as "experimental products" under "private doctor importation" licenses in low quantities. Currently, without approval from the PMDA, we are only able to sell a limited number of ProSense systems and disposables under "private doctor importation" licenses. Following our distribution agreement with Terumo, Terumo will be responsible, and bare all costs of obtaining regulatory approval for breast cancer from the PMDA to sell our products in Japan.

In Thailand, our products have the Ministry of Public Health approval for our ProSense console and associated disposables to treat malignant breast tumors and other intended uses.

Israel

In Israel, we have received the Medical Devices and Disposables, or AMAR, authorization for use of our freezing technology for freezing of benign and malignant tumors, including and among others, breast, lungs, bones, kidney and other indications which enables us to market our products and will allow doctors in Israel to use our product for those indications listed above.

Russia and Taiwan

In 2020, we received regulatory approvals to market and distribute ProSense and disposables in Russia and Taiwan for use of our products in the treatment of benign and cancerous tumor cells through freezing in a number of organs, such as kidneys, lungs, liver and bones.

India

In 2020, we received regulatory approval to commercialize our disposables in India, where our systems themselves do not require regulatory approval before commercialization.

Commercialization

We began selling our IceSense3 and disposable probes in small quantities, for cryoablation of fibroadenoma in the United States in 2011. As of 2012, we began selling all of our products (IceSense3, ProSense and disposables) in the United States and other countries, with sales generated primarily by our sponsored ICE3 trial and independent clinical trials not sponsored by us. Following limited commercialization efforts that took place during our research and development phase, in 2018 and 2019, we started to increase our commercial efforts to sell our products to distributors and end users in the United States, Europe and Asia. During the year ended December 31, 2020, we continued our commercialization efforts, although they were impacted by COVID-19. Although we expect the ongoing COVID-19 pandemic to continue to impact our customers' inclination to increase capital expenditures, we intend to continue to commercialize our products during 2021 and beyond.

As part of our strategy of raising awareness for our products and proprietary technologies within the medical community, although no formal agreement exists, in light of the ASBrS' importance in our industry, we are operating in the United States with them as the leading organization that sets guidelines for breast cancer treatment. We are also continually seeking to collaborate with key opinion leaders in additional territories such as Italy, France, Hong Kong, Japan and Germany in order to create awareness and collect clinical evidence for our technology in such territories.

In addition, in the United States, we are working with leading breast surgeons and breast interventional radiologists in order to initiate collaborations in the field of freezing malignant breast tumors. At the Radiological Society of North America conference held in 2018, our freezing technology was declared one of 15 groundbreaking solutions in this field. In the United States, unlike in other states, as described below, we are entering a consolidated market and, in addition to our existing growth strategy, we

will need to refine our marketing approach in order to generate significant revenue.

We currently have distribution agreements in Japan and Singapore, Thailand, Germany, Italy, France, Spain, Hungary, South Africa, Australia, Hong Kong, Taiwan, India, UAE and other countries. We believe that the following are our material distribution agreements.

In August 2019, we entered into an exclusive distribution agreement, or the Terumo Japan Agreement, for licensing, registration, import, marketing, sale, promotion and distribution of our ProSense system and its disposable products with breast tumors, with a leading global medical company, Terumo Corporation, or Terumo, in Japan and Singapore; provided, however, that with respect to the exclusivity clause, (i) we shall continue to have the ability to sell our system and disposables in Japan until Terumo obtains regulatory permit for marketing and distribution of our ProSense system and (ii) notwithstanding the foregoing, the exclusivity condition shall continue in force only for so long as Terumo purchases a minimum agreed upon number of products during the term of the Terumo Japan Agreement. We believe that the Terumo Japan Agreement will accelerate the commercialization of our ProSense system and associated disposables to treat malignant breast tumors in Japan and Singapore. The Terumo Japan Agreement requires Terumo to obtain necessary regulatory permits for marketing and distribution in Japan and obtaining reimbursement approvals. In Singapore, we have received the applicable regulatory approvals for our products.

The Terumo Japan Agreement is for an initial term of five years from the date of receipt of regulatory approvals for the sale of the Company's products in Japan and is automatically extended for additional terms of five years each, unless a party notifies the other party of its intention to terminate the Terumo Japan Agreement at least one year prior to the end of the term, or at any time upon the mutual agreement of the parties in writing. A party shall have the right to terminate the Terumo Japan Agreement upon a breach of a material provision of the Terumo Japan Agreement by the other party or upon the insolvency of such other party, subject to certain conditions. In addition, the Terumo Japan Agreement may be terminated by either party under certain terms, including the option of revocation by the Company if Terumo does not purchase at least 60% of the minimum quantities defined in the Terumo Japan Agreement for the purchase of products and if Terumo fails to obtain the regulatory approvals on the dates stipulated in the Terumo Japan Agreement. In some cases, upon revocation or termination of the agreement, Terumo will assign to the Company the regulatory filings and regulatory approvals for the marketing and distribution of the ProSense system in Japan.

The minimal aggregate consideration that Terumo owes us under the Terumo Japan Agreement is approximately $13.2 million, of which, we have received $4 million as proceeds for distribution rights, sharing clinical data, the first purchase order, and another $341 thousand for sale of products. Our revenues pursuant to the Terumo Japan Agreement amounted to $348,000 in 2019 and $1,721,000 in 2020.

In December 2020, we entered into an exclusive distribution agreement with Terumo Thailand (of Terumo), or the Terumo Thailand Agreement, for licensing, registration, import, marketing, sale, promotion and distribution of ProSense system and its disposables, in Thailand. The exclusivity condition shall continue in force only for so long as Terumo Thailand purchases a minimum agreed upon number of products during the term of the agreement. The distribution agreement is intended to accelerate the commercialization of our ProSense system and associated disposables to treat malignant and benign tumors in the breast, kidney, lung and other applications in Thailand. The agreement requires Terumo Thailand to obtain necessary regulatory permit for marketing and distribution in Thailand.

The Terumo Thailand Agreement is for an initial term of six years and is automatically extended for additional terms of six years each, unless a party notifies the other party of its intention to terminate the Terumo Thailand Agreement at least one year prior to the end of the term, or at any time upon the mutual agreement of the parties in writing. A party shall have the right to terminate the Terumo Thailand Agreement upon a breach of a material provision of the Terumo Thailand Agreement by the other party or upon the insolvency of such other party, subject to certain conditions. In addition, the Terumo Thailand Agreement may be terminated by either party under certain terms, including the option of revocation by the Company if Terumo does not purchase at least 60% of the minimum quantities defined in the Terumo Thailand Agreement for the purchase of products, and the option of revocation by Terumo Thailand if the Company discontinues its business relating to the ProSense system and its disposables or does not bring action with respect to an infringement of the exclusive distribution right within a reasonable time frame.

To date, we have received up-front payments in a total aggregate amount of $300 thousand under the Terumo Thailand Agreement. The minimal aggregate consideration that Terumo Thailand owes us under the agreement is approximately $7.2 million, of which $450,000 is to be paid in three equal installments of $150,000 for the sole distribution rights and knowledge sharing and $329,000 for the first purchase order. As of August 8, 2021, we have received the $300,000 installment for the sole distribution rights and $107,000 as part of the first purchase order.

Our primary customers are hospitals, interventional radiological centers, ambulatory centers and private clinics that purchase, lease or loan the ProSense system and buy the disposables directly from us, as well as distributors who sell medical products and procedures in our field of activity. The primary users of our products are breast surgeons and interventional radiologists. In some instances, we also place our ProSense in hospitals and clinics in return for a commitment by the hospital or clinic to purchase a minimum number of probes per month for an extended period. As we sell more cryoablation systems, we anticipate the volume of sales of our probes will materially increase as we engage in a razor/razor blades sales model (see "Business – Revenues and Growth Strategy" for additional information).

In addition to our distribution agreements and other aspects of our product revenues and growth strategies, as described below, commercialization of our products is also highly dependent on the receipt of Current Procedural Terminology, or CPT, characterization. On July 2, 2019, our application for a CPT category III codes (0581T) describing the use of cryoablation for treating cancerous breast tumors was approved by the American Medical Association. We intend to pursue additional CPT category codes for breast cancer cryoablation, which is required in order to make procedures with our products eligible for reimbursement from insurance companies in the United States. Even if we are successful in obtaining approval for our products for entry into additional CPT category codes, these changes generally take over 12 months to go into effect, usually at the start of a new calendar year.

In order to cause our products to receive entry into additional CPT categories, we intend to work with the ASBrS and conduct registry trials to collect additional data that we believe will support the use of our system and technology as a viable treatment option for breast cancer. We believe that by conducting such trials and collecting such data, which will result in increased use of our products, and potentially additional publications regarding their use, the ASBrS may amend its guidelines and to enable our treatment system to receive CPT I approval, which could enable medical providers to receive appropriate reimbursement for treatment through our systems. At this time, it is unlikely that our ProSense (or any future system) will be eligible for rebates from insurance companies and other third-party payers without specific regulatory approvals for specific indications. Specific indications such as kidney cancer, liver cancer, bone tumors (under cryoanalgesia) have CPT category I codes and reimbursement in a level of US$ 5,000-$9,000 per case. At this time, we have yet to initiate any marketing efforts for these indications.

Intellectual Property

Our intellectual property portfolio consists of 28 issued patents (17 in the United States, 5 in Europe, 5 in China and 1 in Hong Kong), as further detailed in the table below. In addition to our issued patents, we also have one patent application (application No. 16/785,686), which we filed with the U.S. PTO in February 2020 for a cryogenic pump, a utility patent, with claims drawn to a machine and to process, which has an expected expiration date of February 10, 2040.

Patent No.	Application No.	Title	Type of Patent Application	Type of Patent Protection	Expiration Date	Country	PCT No.

7967815	12/731,219	Cryosurgical Instrument with Enhanced Heat Transfer	Utility patent	Machine	03/25/2030	US	PCT/US2011/025663
102378600	201180000141.8		Utility patent	Machine	02/22/2031	China	
	2549941		Utility patent	Machine	02/22/2031	Great Britain	
EP2549941	2549941		Utility patent	Machine	02/22/2031	France	
	602011054052.1		Utility patent	Machine	02/22/2031	Germany	
	502019000004651		Utility patent	Machine	02/22/2031	Italy	
7967814	12/700,761	Cryoprobe with Vibrating Mechanism	Utility patent	Machine	02/05/2029	US	N/A
8162812	12/722,845	Combined Cryotherapy and Brachytherapy Device and Method	Utility patent	Machine and Process	03/12/2029	US	N/A
7938822	12/778,172	Heating and Cooling of Cryosurgical Instrument Using a Single Cryogen	Utility patent	Machine	05/12/2030	US	PCT/US2011/031722
103079487	201180022782.3		Utility patent	Machine	04/08/2031	China	
	2533716		Utility patent	Machine	04/08/2031	Great Britain	
EP2533716	2533716		Utility patent	Machine	04/08/2031	France	
	602011018919.0		Utility patent	Machine	04/08/2031	Germany	
	502015000073978		Utility patent	Machine	04/08/2031	Italy	
8080005	12/846,047	Closed Loop Cryosurgical Pressure and Flow Regulated System	Utility patent	Machine	06/10/2030	US	N/A
103096824	201180043677.8	Cryosurgical Instrument for Treating Large Volume of Tissue	Utility patent	Machine	09/01/2031	China	PCT/US2011/050214
	2593028		Utility patent	Machine	09/01/2031	Great Britain	
EP2593028	2593028		Utility patent	Machine	09/01/2031	France	
	602011040633.7		Utility patent	Machine	09/01/2031	Germany	
	502017000124372		Utility patent	Machine	09/01/2031	Italy	
8591505	13/339,506	Cryosurgical Instrument with Redirected Flow	Utility patent	Machine	05/19/2031	US	PCT/US2011/067858
103402449	201180068737.1		Utility patent	Machine	12/29/2031	China	
	2683315		Utility patent	Machine	12/29/2031	Great Britain	
EP2683315	2683315		Utility patent	Machine	12/29/2031	France	
	602011031296.0		Utility patent	Machine	12/29/2031	Germany	
	502016000113273		Utility patent	Machine	12/29/2031	Italy	

8083733	12/988,233	Cryosurgical Instrument with Enhanced Heat Exchange	Utility patent	Machine	12/27/2019	US	PCT/IB2009/051532
7137978	10/637,904	Cryosurgical Instrument and its Accessory System	Utility patent	Machine	12/02/2023	US	N/A
7481806	11/531,058	Cryosurgical Instrument and its Accessory System	Utility patent	Machine	08/11/2023	US	N/A
7731711	12/336,866	Cryosurgical Instrument and its Accessory System	Utility patent	Process	08/11/2023	US	N/A
7425211	11/462,244	Cryogenic Probe for Treating Large Volume of Tissue	Utility patent	Machine	11/24/2026	US	N/A
7803154	11/832,778	Cryogenic Probe for Treating Large Volume of Tissue	Utility patent	Machine	11/24/2026	US	N/A
8709005	13/232,203	Coiled Heat Exchanger for Cryosurgical Instrument	Utility patent	Machine	12/10/2031	US	PCT/US2011/051529
103442657	201180069176.7		Utility patent	Machine	09/14/2031	China	
1190057	14103188.0		Utility patent	Machine	09/14/2031	Hong Kong	
	2696785		Utility patent	Machine	09/14/2031	Great Britain	
EP2696785	2696785		Utility patent	Machine	09/14/2031	France	
	602011031962.0		Utility patent	Machine	09/14/2031	Germany	
	502016000122670		Utility patent	Machine	09/14/2031	Italy	
9050075	14/133980		Utility patent	Machine	05/11/2031	US	
8906004	14/204,175	Coiled Heat Exchanger for Cryosurgical Instrument	Utility patent	Machine	05/11/2031	US	N/A

9808302	15/125,258	Phase Separation of Cryogen in Cryosurgical Instrument	Utility patent	Machine and Process	05/11/2031	US	PCT/US2014/064292
9039689	14/547,483	Phase Separation of Cryogen in Cryosurgical Instrument	Utility patent	Machine	01/28/2026	US	N/A

Our intellectual property covers our technological platform, as well as innovative developments that will be used in our future products. Our patent number 8083733 relating to cryosurgical instrument with enhanced heat exchange expired in 2019 and our patents number 7137978, 7481806 and 7731711, relating to Cryosurgical instrument and its accessory system are scheduled to expire in 2023. These patents are not currently used, and are not expected to be used, by the Company for the development of our current and future technology and products and we do not expect the expiry and pending expiry to influence our business.

In addition, to our patent portfolio, we have the following issued trademarks. In addition, we have a number of other trademarks in the United Kingdom that we intend on abandoning.

Registration No.	Application No.	Expiration Date	Country	Mark	Renewal Due Date
4063706	77/615,741	N/A	US	ICECURE®	11/29/2021 (10 year)
4146269	85/430,438	N/A	US	ICECURE LOGO	05/22/2022 (10 year)
017884253	04/04/2018	N/A	Europe	ICECURE LOGO	04/04/2027 (10 year)
5251758	86/790,477	N/A	US	PROSENSE®	07/25/2023 (5 year)
017884265	17884265	N/A	Europe	PROSENSE®	04/04/2028 (10 year)
4029030	77/215,497	N/A	US	ICESENSE®	09/20/2021 (10 year)
27566828	27566828	N/A	China	PROSENSE	02/06/2029 (10 year)
27566823	27566823	N/A	China	PROSENSE (CHINESE)	11/13/2027 (10 year)
010241305	010241305	N/A	Europe	ICECURE	09/05/2021 (10 year)
010241297	010241297	N/A	Europe	ICESENSE3	09/05/2021 (10 year)
910241263	010241263	N/A	Europe	ICESENSE	09/05/2021 (10 year)
018042365	018042365	N/A	Europe	ICECURE (NEW LOGO)	03/28/2029 (10 year)
6301784	2019-125291	N/A	Japan	PROSENSE	10/08/2030 (10 year)
6301783	2019-125290	N/A	Japan	ICECURE (ENGLISH)	10/08/2030 (10 year)
6301782	2019-125289	N/A	Japan	ICECURE (Logo)	10/08/2030 (10 year)

Production and Manufacturing

The majority of the manufacturing of the ProSense console's components is outsourced, and we complete the final assembly in our facility in Israel. The majority of the manufacturing of our disposables, including sterilization and packing is outsourced. We conduct the final inspections at our facility.

The various components of our ProSense and probes are purchased and manufactured by several vendors and subcontractors. We are engaged with approximately 90 suppliers of components for our ProSense and MultiSense systems and its disposables. The primary suppliers for our ProSense and MultiSense systems and disposables are Sinai Technologies Metal Manufacturing LTD, J.H. Avidan LTD and Concept Group LLC.

We consistently monitor our inventory levels, manufacturing and distribution capabilities, and maintain recovery plans to address potential disruptions that we may encounter. In the future, as we scale up our sales and production further, we may implement a turnkey operation with select manufacturers for our probes.

We enter into agreements with our vendors and subcontractors. Pursuant to such agreements, the Company will provide the parts and raw materials and the subcontractor will provide the components and/or perform the assembly of such components and/or service in accordance with specific terms of the mutually agreed work instructions and purchase orders. The agreements define the responsibilities of each party and the regulatory and compliance requirements that apply and contain industry-standard terms and guidelines.

Competition

The medical device and tumor treatment industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. Cryoablation is an alternative approach to surgically removing tumors and/or to heat ablation of tumors, such as radiofrequency ablation, microwave and high intensity focused ultrasound. We encounter significant competition across our product lines in each market in which we sell our products from various companies, some of which may have greater financial and marketing resources than we do. We also face competition from non-medical device companies, as pharmaceutical companies, which may offer alternative therapies and treatments. We believe that the ability of our products and services to deliver rapid minimally-invasive treatments in-office or ambulatory hospital settings serves as a key competitive advantage versus surgical and other tumor treatment solutions. In the current environment of managed care, with economically-motivated buyers, consolidation among healthcare providers, increased competition and declining reimbursement rates, we have been increasingly required to compete on the basis of price, value, reliability and efficiency, which we believe we have been able to do and hope to continue to do.

We believe that our cryoablation technology, and especially our LN2-based technology, has advantages over heat ablation technologies, which include, but are not limited to the below competitive advantages relative to heat ablation technologies.

- Pain: Because of the freezing effect on tissue, our procedure is less painful then heat ablation.
- Anesthesia: Due to the lower amount of pain that is generally caused by procedures from cryoablation, patients generally require less anesthesia.

- Accuracy: Image guided visualization of the cryoablation ice ball is clearer than heat ablation as the freezing does not cause evaporation, thereby allowing the cryoablation to be more accurate.

We believe that our direct competitors for cryoablation of malignant breast tumors are Sanarus Medical, Inc., part of Hologic Inc. and Galil Medical Ltd., part of Boston Scientific Corporation. Sanarus Medical, Inc. also uses LN2-based technology.

For tumors in other organs, other alternatives to surgical removal or cryoablation are available, such as thermal ablation, (including, radio frequency ablation, microwave ablation and high intensity focused ultrasound). Our primary direct competitors also include other cryoablation companies, such as EndoCare, Inc., part of Siemens Healthineers AG and Hygea Medical Technology Co. Ltd. for interventional radiology. Hygea Medical Technology Co. Ltd. is a company that also uses LN2-based technology. Unlike these competitors who have a multi probe system in the market, we are still developing our MultiSense system. Despite this, we believe that our LN2-based cryoablation technology is superior over our competitors, including Galil Medical and EndoCare, for a variety of reasons, including the following:

- our cryoablation LN2 technology allows deeper freezing temperature, up to -160° Celsius, which results in a faster and more efficient destruction of the tumor cells;
- our LN2 technology allow us to achieve lower temperatures faster, thereby resulting in a shorter procedure;
- our effective ablating zone for one probe is greater than that of technologies utilizing argon-based technology probes (we are able to use one probe for a three-centimeter tumor while argon-based technologies need more than one probe to create the same killing zone;
- Using one probe in our technology is less complicated and easier to most physicians;
- the price of argon gas is significantly higher and less available in some territories than LN2 which makes our procedures more cost effective; and
- argon gas is stored in a 4,800 PSI gas balloons, which potentially creates a risk of explosion whereas our LN2 is stored in low pressure containers which presents less risk and allows for office setting procedures.

We believe that these technological advantages will enable us to compete effectively with our competitors. In addition, we believe that by completing the development, and initiating commercialization of our next generation MultiSense system will enable us to compete even more effectively with our competitors.

Government Regulation

Our products and business are subject to extensive federal, state, local and foreign laws and regulations, including those relating to the protection of the environment, health and safety and our failure to comply with applicable requirements could harm our business. Some of the pertinent laws have not been definitively interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of subjective interpretations. In addition, these laws and their interpretations are subject to change, or new laws may be enacted.

Both federal and state governmental agencies continue to subject the healthcare industry to intense regulatory scrutiny, including heightened civil and criminal enforcement efforts. As indicated by work plans and reports issued by these agencies, the federal government will continue to scrutinize, among other things, the billing practices of healthcare providers and the marketing of healthcare products.

We believe that we have structured our business operations and relationships with our distributors and customers to comply with all applicable legal requirements. However, it is possible that governmental entities or other third parties could interpret these laws differently and assert otherwise. In addition, because there is a risk that our products are used off label, we believe we are subject to increased risk of prosecution under these laws and by these entities even if we believe we are acting appropriately. We discuss below the statutes and regulations that are most relevant to our business and most frequently cited in enforcement actions.

FDA Regulation of Medical Devices

The Federal Food, Drug and Cosmetic Act, or FDCA, and FDA regulations establish a comprehensive system for the regulation of medical devices intended for human use. Our products include medical devices that are subject to these regulations, as well as other federal, state, local and foreign, laws and regulations. The FDA is responsible for enforcing the laws and regulations governing medical devices in the United States.

The FDA classifies medical devices into one of three classes (Class I, Class II, or Class III) depending on their level of risk and the types of controls that are necessary to ensure device safety and effectiveness. The class assignment is a factor in determining the type of premarketing submission or application, if any, that will be required before marketing in the United States.

- Class I devices present a low risk and are not life-sustaining or life-supporting. The majority of Class I devices are subject only to "general controls" (e.g., prohibition against adulteration and misbranding, registration and listing, good manufacturing practices, labeling, and adverse event reporting. General controls are baseline requirements that apply to all classes of medical devices.)
- Class II devices present a moderate risk and are devices for which general controls alone are not sufficient to provide a reasonable assurance of safety and effectiveness. Devices in Class II are subject to both general controls and "special controls" (e.g., special labeling, compliance with performance standards, and post market surveillance. Unless exempted, Class II devices typically require FDA clearance before marketing, through the premarket notification (510(k) process.)
- Class III devices present the highest risk. These devices generally are life-sustaining, life-supporting, or for a use that is of substantial importance in preventing impairment of human health, or present a potential unreasonable risk of illness or injury. Class III devices are devices for which general controls, by themselves, are insufficient and for which there is insufficient information to determine that application of special controls would provide a reasonable assurance of safety and effectiveness. Class III devices are subject to general controls and typically require FDA approval of a premarket approval, or PMA, application before marketing.

Unless it is exempt from premarket review requirements, a medical device must receive marketing authorization from the FDA prior to being commercially marketed, distributed or sold in the United States. The most common pathways for obtaining marketing authorization are 510(k) clearance and PMA.

All of our medical device products sold in the United States are subject to regulation as medical devices under the FDCA, as implemented and enforced by the FDA. The FDA governs the following activities that we perform or that are performed on our behalf, to ensure that medical products we manufacture, promote and distribute domestically or export internationally are safe and effective for their intended uses:

- product design, preclinical and clinical development and manufacture;
- product premarket clearance and approval;
- product safety, testing, labeling and storage;

- record keeping procedures;
- product marketing, sales and distribution; and
- post-marketing surveillance, complaint handling, medical device reporting, reporting of deaths, serious injuries or device malfunctions and repair or recall of products.

510(k) Pathway

The 510(k) review process compares a new device to a legally marketed device. Through the 510(k) process, the FDA determines whether a new medical device is "substantially equivalent" to a legally marketed device (i.e., predicate device) that is not subject to PMA requirements. "Substantial equivalence" means that the proposed device has the same intended use as the predicate device, and the same or similar technological characteristics, or if there are differences in technological characteristics, the differences do not raise different questions of safety and effectiveness as compared to the predicate, and the information submitted in the 510(k) application demonstrates that the proposed device is as safe and effective as the predicate device.

To obtain 510(k) clearance, a company must submit a 510(k) application, containing sufficient information and data to demonstrate that its proposed device is substantially equivalent to a legally marketed predicate device. These data generally include non-clinical performance testing (e.g., software validation, animal testing electrical safety testing), but may also include clinical data. Typically, it takes three to twelve months for the FDA to complete its review of a 510(k) submission; however, it can take significantly longer and clearance is never assured. During its review of a 510(k) application, the FDA may request additional information, including clinical data, which may significantly prolong the review process. After completing its review of a 510(k) application, the FDA may issue an order, in the form of a letter, that finds the device to be either (i) substantially equivalent and states that the device can be marketed in the United States, or (ii) not substantially equivalent and states that device cannot be marketed in the United States. If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous PMA requirements, or can request a risk-based classification determination for the device in accordance with the "de novo" process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

After a device receives 510(k) clearance or de novo classification, any modification that could significantly affect the safety or effectiveness of the device, or that would constitute a major change in its intended use, including significant modifications to any of our products or procedures, requires submission and clearance of a new 510(k) application or de novo classification or approval of a PMA. The FDA relies on each manufacturer to make and document this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. Modifications meeting certain conditions may be candidates for a streamlined FDA review known as Special 510(k) review, which the FDA intends to process within 30 days of receipt. If a device modification requires the submission of a 510(k) application, but the modification does not affect the intended use of the device or alter the fundamental technology of the device, then summary information that results from the design control process associated with the cleared device can serve as the basis for clearing the application. A Special 510(k) allows a manufacturer to declare conformity to design controls without providing new data. When a modification involves a change in material, the nature of the "new" material will determine whether a traditional or Special 510(k) is necessary. An Abbreviated 510(k) is another type of 510(k) process that is intended to streamline the review of data through the reliance on one or more FDA-recognized consensus standards, special controls established by regulation, or FDA guidance documents. In most cases, an Abbreviated 510(k) includes one or more declarations of conformity to an FDA-recognized consensus standard. We may also make minor product enhancements that we believe do not require new 510(k) clearances. If the FDA disagrees with our determination regarding whether a new 510(k) clearance was required for these modifications, we may need to cease marketing and/or recall the modified device. The FDA may also subject us to other enforcement actions, including, but not limited to, issuing a warning letter or untitled letter to us, seizing our products, imposing civil penalties, or initiating criminal prosecution.

De Novo Pathway

Medical device types that the FDA has not previously classified as Class I, II, or III are automatically classified as Class III regardless of the level of risk they pose. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the de novo classification procedure. This procedure allows a manufacturer whose novel device is automatically classified as Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA application. Prior to the enactment of the Food and Drug Administration Safety and Innovation Act, or FDASIA, in July 2012, a medical device could only be eligible for de novo classification if the manufacturer first submitted a 510(k) premarket notification and received a determination from the FDA that the device was not substantially equivalent. FDASIA streamlined the de novo classification pathway by permitting manufacturers to request de novo classification directly without first submitting a 510(k) premarket notification to the FDA and receiving a not substantially equivalent determination. We originally obtained marketing authorization for our system using the de novo classification process after receiving a not substantially equivalent determination following the submission of a 510(k) premarket notification. We have subsequently used the 510(k) clearance process to obtain authorization from the FDA for changes to our marketed system.

PMA Pathway

Unlike the comparative standard of the 510(k) pathway and the De Novo Pathway, the PMA approval process requires an independent demonstration of the safety and effectiveness of a device. PMA is the most stringent type of device marketing application required by the FDA. PMA approval is based on a determination by the FDA that the PMA contains sufficient valid scientific evidence to ensure that the device is safe and effective for its intended use(s). A PMA application generally includes extensive information about the device including the results of clinical testing conducted on the device and a detailed description of the manufacturing process.

After a PMA application is accepted for review, the FDA begins an in-depth review of the submitted information. FDA regulations provide 180 days to review the PMA and make a determination; however, in reality, the review time is normally longer (e.g., one to three years). During this review period, the FDA may request additional information or clarification of information already provided. In addition, during the review period, an advisory panel of experts from outside the FDA may be convened to review and evaluate the data supporting the application and provide recommendations to the FDA as to whether the data provide a reasonable assurance that the device is safe and effective for its intended use. The FDA generally will conduct a preapproval inspection of the manufacturing facility to ensure compliance with Quality System Regulation, or QSR, which imposes comprehensive development, testing, control, documentation and other quality assurance requirements for the design and manufacturing of a medical device.

Based on its review, the FDA may (i) issue an order approving the PMA, (ii) issue a letter stating the PMA is "approvable" (e.g., minor additional information is needed), (iii) issue a letter stating the PMA is "not approvable," or (iv) issue an order denying PMA. A company may not market a device subject to PMA review until the FDA issues an order approving the PMA. As part of a PMA approval, the FDA may impose post-approval conditions intended to ensure the continued safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution, and requiring the collection of additional clinical data. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including withdrawal of the approval.

Most modifications to a PMA approved device, including changes to the design, labeling, or manufacturing process, require prior approval before being implemented. Prior approval is obtained through submission of a PMA supplement. The type of information required to support a PMA supplement and the FDA's time for review of a PMA supplement vary depending on the nature of the modification.

Breakthrough Devices Program

The goal of the Breakthrough Devices Program is to provide patients and health care providers with timely access to these medical devices by speeding up their development, assessment, and review, while preserving the statutory standards for premarket approval, 510(k) clearance, and De Novo marketing authorization, consistent with the FDA's mission to protect and promote public health.

The Breakthrough Devices Program offers manufacturers an opportunity to interact with the FDA's experts through several different program options to efficiently address topics as they arise during the premarket review phase, which can help manufacturers receive feedback from the FDA and identify areas of agreement in a timely way. Manufacturers can also expect prioritized review of their submission.

In addition, the United States' Centers for Medicare and Medicaid Services, or CMS, finalized a new Medicare coverage pathway in efforts to bring new and innovative technologies to beneficiaries sooner. If a product is granted BDD, the company can approach the MCIT, and start the process of accelerating the coverage of new, innovative breakthrough devices to Medicare beneficiaries. If successful, National Medicare coverage under the MCIT pathway could begin immediately upon the date of FDA market authorization (that is, the date the medical device receives PMA; 510(k) clearance; or the granting of a De Novo classification request) for the Breakthrough Device or on the date designated by the manufacturer within any point during the four-year eligibility period for coverage under MCIT. The Biden administration put a hold on all MCIT related rules that hadn't gone into effect yet, and as a result thereof, until there is a decision on this matter, we are not able to make a request for coverage under any MCIT pathway.

As part of the Breakthrough Device Program, the MCIT, which is pending approval by the Biden Administration, could provide national Medicare coverage for our ProSense, for a four-year duration starting on the day of the FDA marketing authorization. The Company will still be required to apply for CPT1 codes under regular approval procedures in order to receive reimbursement after the four-year provisional coverage period.

Clinical Trials

A clinical trial is typically required to support a PMA application or de novo classification, and is sometimes required for a 510(k) pre-market notification. Clinical trials of medical devices in the United States are governed by the FDA's Investigational Device Exemption, or IDE, regulation. This regulation places significant responsibility on the sponsor of the clinical study including, but not limited to, choosing qualified investigators, monitoring the trial, submitting required reports, maintaining required records, and assuring investigators obtain informed consent, comply with the study protocol, control the disposition of the investigational device, submit required reports, etc.

Clinical trials of significant risk devices (e.g., implants, devices used in supporting or sustaining human life, devices of substantial importance in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health) require FDA and Institutional Review Board, or IRB, approvals prior to starting the trial. FDA approval is obtained through submission of an Investigational Device Exemption, or IDE, application. Clinical trials of non-significant risk, or NSR, devices, (i.e., devices that do not meet the regulatory definition of a significant risk device) only require IRB approval before starting. The clinical trial sponsor is responsible for making the initial determination of whether a clinical study is significant risk or NSR; however, IRB and/or FDA reviewer may review this decision and disagree with the determination.

An IDE application must be supported by appropriate data, such as performance data, animal and laboratory testing results, showing that it is safe to evaluate the device in humans and that the clinical study protocol is scientifically sound. There is no assurance that submission of an IDE will result in the ability to commence clinical trials. Additionally, after a trial begins, the FDA may place it on hold or terminate it if, among other reasons, it concludes that the clinical subjects are exposed to an unacceptable health risk.

As noted above, the FDA may require a company to collect clinical data on a device in the post-market setting.

The collection of such data may be required as a condition of PMA approval. The FDA also has the authority to order, via a letter, a post-market surveillance study for certain devices at any time after they have been cleared or approved.

Even if a trial is completed, the results of clinical testing may not adequately demonstrate the safety and efficacy of the device or may otherwise not be sufficient to obtain FDA clearance or approval to market the product in the United States. Similarly, in Europe the clinical study must be approved by a local ethics committee and in some cases, including studies with high-risk devices, by the ministry of health in the applicable country.

Pervasive and Continuing FDA Regulation

After a device is placed on the market, regardless of its classification or premarket pathway, numerous additional FDA requirements generally apply. These include, but are not limited to:

- Establishment registration and device listing requirements;
- QSR, which governs the methods used in, and the facilities and controls used for, the design, manufacture, packaging, labeling, storage, installation, and servicing of finished devices;
- Labeling requirements, which mandate the inclusion of certain content in device labels and labeling, and generally require the label and package of medical devices to include a unique device identifier, and which also prohibit the promotion of products for uncleared or unapproved, i.e., "off-label," uses;
- Medical Device Reporting, or MDR, regulation, which requires that manufacturers and importers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur; and
- Reports of Corrections and Removals regulation, which requires that manufacturers and importers report to the FDA recalls (i.e., corrections or removals) if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health; manufacturers and importers must keep records of recalls that they determine to be not reportable.

The FDA enforces these requirements by inspection and market surveillance. Failure to comply with applicable regulatory requirements can result in an enforcement

action by the FDA, which may include, but is not limited to, the following sanctions:

- untitled letters or warning letters;
- fines, injunctions and civil penalties;
- recall or seizure of our products;
- operating restrictions, partial suspension or total shutdown of production;
- refusing our request for 510(k) clearance or premarket approval of new products;
- withdrawing 510(k) clearance or premarket approvals that are already granted; and
- criminal prosecution.

We are subject to unannounced device inspections by the FDA, as well as other regulatory agencies overseeing the implementation of and compliance with applicable state public health regulations. These inspections may include our suppliers' facilities. We cannot assure that we have adequately complied with all regulatory requirements or that one or more of the referenced sanctions will not be applied to us as a result of a failure to comply.

International Regulation

International sales of medical devices are subject to foreign government regulations, which vary substantially from country to country. In order to market our products in other countries, we must obtain regulatory approvals and comply with extensive safety and quality regulations in other countries. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ. The European Union/European Economic Area (the "EU/EEA"), requires a CE conformity mark in order to market medical devices. Many other countries, such as Australia, India, New Zealand, Pakistan and Sri Lanka, accept CE or FDA clearance or approval, although others, such as Brazil, Canada, China and Japan require separate regulatory filings.

In the EU and the EEA, devices are required to comply with the essential requirements of the EU Medical Devices Directive being replaced by Medical Device Regulation (MDR 2017/745) which will allow marketing medical devices, in EU, under MDD until 26 May 2024. Compliance with these requirements would entitle us to affix the CE conformity mark to our medical devices, without which they cannot be commercialized in the EU and EEA. To demonstrate compliance with the essential requirements and obtain the right to affix the CE conformity mark we must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low risk medical devices (Class I), where the manufacturer can issue a CE Declaration of Conformity based on a self-assessment of the conformity of its products with the essential requirements of the Medical Devices Directive, a conformity assessment procedure requires the intervention of a Notified Body, which is an organization accredited at the European Commission to conduct conformity assessments. The Notified Body would typically audit and examine the quality system for the manufacture, design and final inspection of our devices before issuing a certification demonstrating compliance with the essential requirements. Based on this certification we can draw up a CE Declaration of Conformity which allows us to affix the CE Mark to our products.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation, which repeals and replaces the EU Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EEA member states, the regulations would be directly applicable (i.e., without the need for adoption of EEA member State laws implementing them) in all EEA member states and are intended to eliminate current differences in the regulation of medical devices among EEA member States. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and in vitro diagnostic devices and ensure a high level of safety and health while supporting innovation.

The Medical Device Regulation was meant to become applicable three years after publication (in May 2020). However, on April 23, 2020, to allow EEA national authorities, notified bodies, manufacturers and other actors to focus fully on urgent priorities related to the COVID-19 pandemic, the European Council and Parliament adopted Regulation 2020/561, postponing the date of application of the Medical Device Regulation by one year (to May 2021). Once applicable, the new regulations will among other things:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthen rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

These modifications may have an impact on the way we design and manufacture products and the way we conduct our business in the EEA. We are progressing in our plans to meet the new requirements.

Further, the advertising and promotion of our products in the EU and the EEA is subject to the laws of individual EU and EEA member states implementing the EU Medical Devices Directive, Directive 2006/114/EC concerning misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices, as well as other EU and EEA member state laws governing the advertising and promotion of medical devices. These laws may limit or restrict the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals.

We are in the process of implementing the new MDR requirements to conform with the European requirements.

We have received AMAR approval in Israel. In addition, we received approval from the MedCert Zertifizierungs und Prufungsgsesellschaft fur die Medizin GmbH of Germany, and are entitled to print the CE Mark on our products, after having examined the EU Technical File for each new product.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in addition to the FDA, including, CMS, other divisions of the Department of Health and Human Services, the Department of Justice, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety and Health Administration, the Environmental Protection Agency, and state and local governments. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Manufacturing, sales, promotion and other activities are also potentially subject to federal and state consumer protection and unfair completion laws.

The distribution of medical device products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of medical device products.

Third-Party Payors Coverage and Reimbursement

Procedures using our products to treat breast cancer are not reimbursed currently by private or governmental third-party payors in the United States. We intend to seek reimbursement through private and governmental third-party payors in the future, although significant uncertainty exists as to whether coverage and reimbursement of such procedures will be approved. In both the United States and foreign markets, our ability to expand utilization of the system and to attract commercialization partners depends, in part, on the availability of adequate coverage and reimbursement from third-party payors, including, in the United States, governmental payors such as the Medicare and Medicaid programs, and private health insurers. Medicare is a federally funded program managed by the CMS, through local contractors that administer coverage and reimbursement for certain healthcare items and services furnished to the elderly and disabled. Medicaid is an insurance program for certain categories of patients whose income and assets fall below state defined levels and who are otherwise uninsured, that is both federally and state funded and managed by each state. The federal government sets general guidelines for Medicaid and each state creates specific regulations or other guidelines that govern its individual program. Each payor, whether governmental or private, has its own process and standards for determining whether it will cover and reimburse a procedure or a particular product. Since private payors often rely on the lead of the governmental payors in rendering coverage and reimbursement determinations, achieving favorable CMS coverage and reimbursement is often a significant gating issue for successful introduction of a new product. The competitive position of our systems will depend, in part, upon the extent of coverage and adequate reimbursement for the procedures in which such products are used.

Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage policies and reimbursement rates are attained for procedures using our products, less favorable coverage policies and reimbursement rates may be implemented in the future.

State and federal healthcare reform measures may be adopted in the future, any of which may result in additional reductions in Medicare and other healthcare funding, and otherwise affect the prices we may obtain for any of our products for which we may obtain regulatory approval, or the frequency with which any such products is prescribed or used.

In addition, in some foreign countries, the proposed pricing for a medical device must be approved before it may be lawfully marketed. The requirements governing medical device pricing vary widely from country to country. In some countries, we may be required to conduct a clinical study or other studies that compare the cost-effectiveness of any of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Historically, products launched in the EU do not follow price structures of the United States and generally tend to be significantly lower. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales by us or our distributors and the potential profitability of any of our product candidates in those countries could be negatively affected.

Other Healthcare Laws and Compliance Requirements

Healthcare providers, physicians, and third-party payors will affect the utilization of any products for which we obtain marketing approval. Our future arrangements with healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any device for which we obtain marketing approval. In the United States, our activities are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including the CMS, other divisions of the United States Department of Health and Human Services (e.g., the Office of Inspector General), the United States Department of Justice and individual United States Attorney offices within the Department of Justice, and state and local governments. The applicable laws and regulations include the federal Anti-Kickback Statute, the False Claims Act, and the Health Insurance Portability and Accountability Act of 1996, or HIPAA.

- The Anti-Kickback Statute makes it illegal for any person, including a device manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration, directly or indirectly, in cash or in kind, that is intended to induce or reward referrals, including the purchase, recommendation, or order of a particular device, for which payment may be made under a federal healthcare program, such as Medicare or Medicaid. Violations of this law are punishable by up to five years in prison, criminal fines, administrative civil money penalties and exclusion from participation in federal healthcare programs. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it.

- The Federal False Claims Act imposes civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities (including manufacturers) for, among other things, knowingly presenting, or causing to be presented false or fraudulent claims for payment by a federal healthcare program or making a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government. Penalties for a False Claims Act violation include three times the actual damages sustained by the government, plus mandatory civil penalties of between $10,957 and $21,916 for each separate false claim and the potential for exclusion from participation in federal healthcare programs. Conduct that violates the False Claims Act also may implicate various federal criminal statutes. The government may deem manufacturers to have "caused" the submission of false or fraudulent claims by, for example, providing inaccurate billing or coding information to customers or promoting a product off-label. Claims which include items or services resulting from a violation of the federal Anti-Kickback Statute also are deemed false or fraudulent claims for purposes of the False Claims Act. Our future marketing and activities relating to the reporting of wholesaler or estimated retail prices for our products and other information affecting federal, state and third-party reimbursement for our products, and the sale and marketing of our product and any future product candidates, are subject to scrutiny under this law.

- HIPAA which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters and, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, also imposes certain obligations, including contractual terms and technical safeguards, with respect to maintaining the privacy, security and transmission of individually identifiable health information.

- HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.

- The Federal Physician Payments Sunshine Act within the Affordable Care Act, and its implementing regulations, which requires that certain manufacturers of devices and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members; and

- Analogous state and foreign fraud and abuse laws and regulations, such as anti-kickback and false claims laws, which may apply to sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third party payor, including commercial insurers, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by federal laws, thus complicating compliance efforts. Such laws are generally broad and are enforced by various state agencies and private actions.

In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information, which are applicable to "business associates"—independent contractors or agents of HIPAA covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity.

Current and future legislation

In the United States and foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we, or any collaborators, may receive for any approved products.

U.S. Regulation

The Affordable Care Act has had, and is expected to continue to have, a significant impact on the healthcare industry. The Affordable Care Act was designed to expand coverage for the uninsured while at the same time containing overall healthcare costs. With regard to pharmaceutical products, among other things, the Affordable Care Act expanded and increased industry rebates for drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare prescription drug benefit. There remain judicial, Congressional and executive branch challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the Affordable Care Act such as removing or delaying penalties, starting January 1, 2019, for not complying with the Affordable Care Act's individual mandate to carry health insurance, delaying the implementation of certain Affordable Care Act-mandated fees, and increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D. Additionally, on December 15, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the individual mandate was repealed by Congress. Further, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. On March 2, 2020, the United States Supreme Court granted the petitions for writs of certiorari and held oral arguments on November 10, 2020. Accordingly, we continue to evaluate the effect that the Affordable Care Act has on our business. Other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. For example, through the process created by the Budget Control Act of 2011, there are automatic reductions of Medicare payments to providers up to 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. However, the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, which was signed into law in March 2020 and is designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended the 2% Medicare sequester from May 1, 2020 through December 31, 2020, and extended the sequester by one year, through 2030. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers. In addition, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which have resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. At the federal level, the Trump administration's budget proposals for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. In addition, the Trump administration previously released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out-of-pocket costs of drug products paid by consumers. The Department of Health and Human Services, or HHS, has solicited feedback on some of these measures and implemented others under its existing authority. On July 24, 2020 and September 13, 2020, President Trump announced several executive orders related to prescription drug pricing that seek to implement several of the administration's proposals. The FDA also released a final rule on September 24, 2020 providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, HHS finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. The likelihood of implementation of any of the other Trump administration reform initiatives is uncertain, particularly in light of the recent change in U.S. administration. In the coming years, additional legislative and regulatory changes could be made to governmental health programs that could significantly impact pharmaceutical companies and the success of our product candidates. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. The Affordable Care Act, as well as other federal, state and foreign healthcare reform measures that have been and may be adopted in the future, could harm our future revenues. Further, it is also possible that additional governmental action is taken in response to the COVID-19 pandemic.

Additional laws and regulations governing international operations

Since we further expand our operations outside of the United States, we must dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate. The Foreign Corrupt Practices Act, or FCPA, prohibits any United States individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-United States nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. Our presence outside of the United States, requires dedicating additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The Securities and Exchange Commission, or the SEC, also may suspend or bar issuers from trading securities on the United States exchanges for violations of the FCPA's accounting provisions.

Post-Marketing Regulations

Following clearance or approval of a new product, a company and the product are subject to continuing regulation by the FDA and other federal and state regulatory authorities, including, among other things, monitoring and recordkeeping activities, reporting to applicable regulatory authorities of adverse experiences with the product, providing the regulatory authorities with updated safety and efficacy information, product sampling and distribution requirements, and complying with promotion and advertising requirements, which include, among others, standards for direct-to-consumer advertising, restrictions on promoting for uses or in patient populations not described in the product's approved labeling (known as "off-label use"), limitations on industry-sponsored scientific and educational activities, and requirements for promotional activities involving the internet. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such off-label uses. Modifications or enhancements to the products or labeling or changes of site of manufacture are often subject to the approval of the FDA and other regulators, which may or may not be received or may result in a lengthy review process.

Government Grants

Our research and development efforts were financed in part through royalty-bearing grants from the Israel Innovation Authority, or the IIA. As of December 31, 2020, we have received the aggregate amount of approximately $2.46 million (including accumulated interest) from the IIA for the development of our products. With respect to such grants, we are committed to pay certain royalties up to the total grant amount, including accumulated interest. As of 31 December 2020, we paid approximately $269 thousand. Regardless of any royalty payment, we are further required to comply with the requirements of the Research Law, with respect to those past grants. When a company develops know-how, technology or products using IIA grants, the terms of these grants and the Research Law restrict the transfer of such know-how, and the transfer of manufacturing or manufacturing rights of such products, technologies or know-how outside of Israel, without the prior approval of the IIA. This may restrict our ability to move the production of our products outside of Israel, or to sell intellectual property and other know-how.

The royalty rate we have undertaken to pay the IIA is 3.5%, and in any event up to the level of the grant, including accumulated interest, being linked to the exchange rate of the U.S. dollar and bearing Libor interest. Starting from the second half of 2017, new directives were introduced, according to which small companies (up to an annual turnover of $70 million) are to pay royalties of 3%.

The total sum of royalties, including accumulated interest, we are required to repay the IIA, as of December 31, 2020 is approximately $2.2 million, net, after deducting the sums we paid as royalties to the IIA.

Organizational Structure

We have three wholly-owned subsidiaries: IceCure Medical Inc., IceCure Medical HK Limited and IceCure (Shanghai) MedTech Co., Ltd., a Chinese company fully owned by the subsidiary in Hong Kong.

IceCure Medical Inc. is our wholly-owned subsidiary incorporated in the State of Delaware. IceCure Medical Inc. is engaged in business development, marketing, managing clinical trial and selling our products in the United States.

IceCure Medical HK Limited is our wholly-owned subsidiary incorporated in Hong Kong. IceCure Medical HK Limited serves as a holding company for Icecure (Shanghai) MedTech Co., Ltd. Currently, there is no other activity in IceCure Medical HK.

IceCure (Shanghai) MedTech Co., Ltd., a subsidiary fully owned by IceCure Medical HK Limited., started its operations in 2021, and is expected to be engaged in obtaining regulatory approvals, business development, marketing, and selling our products in China.

Properties and Facilities

Our headquarters are located at 7 Ha'Eshel St., Caesarea, 3079504, Israel, where we currently occupy approximately 581 square meters (approximately 6,254 square feet). We lease our facilities and our lease ends on July 2022, extendable to July 2025.

Employees

As of the date of this prospectus, we have five senior management positions, all of whom are engaged on a full-time basis, and all of whom are engaged as employees. In addition to our senior management, we have 48 full-time employees and 12 part-time employees. The majority of our employees are located in Israel.

Our employees are not represented by labor unions or covered by collective bargaining agreements. We believe that we maintain good relations with our employees. However, in Israel, we are subject to certain Israeli labor laws, regulations and national labor court precedent rulings, as well as certain provisions of collective bargaining agreements applicable to us by virtue of extension orders issued in accordance with relevant labor laws by the Israeli Ministry of Economy and which apply such agreement provisions to our employees even though they are not part of a union that has signed a collective bargaining agreement.

All of our employment and consulting agreements include employees' and consultants' undertakings with respect to non-competition and assignment to us of intellectual property rights developed in the course of employment and confidentiality. With respect to our employees in Israel, the enforceability of such provisions is limited by Israeli law.

Legal Proceedings

On July 29, 2021, we were informed that a motion to certify a claim as a class action was filed against the Company in Israel with the Haifa District Court by Shalom Benamo. In the motion, the plaintiff claims that the Company's reports filed on the TASE electronic filing site, the MAYA, and on the ISA electronic filing site, the MAGNA, are not in compliance with applicable accessibility guidelines, and therefore the Company prevents or reduces the access of people with disabilities to such reports. The plaintiff seeks damages in a total amount of NIS 5,000,000. We are currently reviewing and assessing the merits of the motion and will act to submit our response in cooperation with the Israeli Association of Publicly Traded Companies.

On July 5, 2021, we were informed that a motion to certify a claim as a class action was filed in Israel with the Tel Aviv District Court by Amir Yosef Brot, who claims to be a shareholder of the Company. The plaintiff's claim is against the Company, the members of the board of directors, the controlling shareholder and the investors who took part in the private placement that was approved by our shareholders on March 7, 2021. In the motion, the plaintiff claims, *inter alia*, that we conducted a private placement of securities to the controlling shareholder and the investors at a significant discount to the Company's share price at the time, that the share price did not reflect material information that was allegedly in the Company's possession and which was also brought to the attention of the investors, and that there were alleged defects in the manner of approving the private placement by our shareholders. After a preliminary review of the motion, we believe that the motion is without merit and that the factual description and the data underlying the motion are incorrect and/or imprecise and we intend to defend ourselves vigorously.

In October 2018, the Israel Securities Authorities, or the ISA, commenced administrative enforcement proceedings against Wize Pharma Ltd., or Wize, Ron Mayron (who, at the relevant times, served as Chairman of Wize's board of directors), and Wize's Chief Financial Officer. In August 11, 2019, the ISA's Administrative Enforcement Committee approved a settlement agreement pursuant to which Mr. Mayron undertook to pay a civil penalty of NIS 150,000 (equivalent to approximately $45,000) to the ISA. It should be clarified that Mr. Mayron resigned from his position as Chairman of Wize on November 7, 2018 and that Mr. Mayron was not barred from continuing to serve as an officer for public companies, including serving as the Company's Chairman. As of today, the fine has been paid in full and Mr. Mayron is not subject to any sanctions or legal proceedings.

MANAGEMENT

Directors and Senior Management

The following table sets forth information regarding our executive officers, key employees and directors as of August 8, 2021:

Name	Age	Position
Ron Mayron	58	Chairman of the Board of Directors
Eyal Shamir	60	Chief Executive Officer, Director
Ronen Tsimerman	51	Chief Financial Officer, Chief Operation Officer
Shay Levav	44	Vice President, Regulatory and Quality Assurance and Clinical Applications
Tlalit Bussi Tel-Tzure	49	Vice President, Business Development and Global Marketing
Naum Muchnik	44	Vice President, Research, Development and Engineering
Doron Birger (1)(2)(4)(5)	70	Director
Yang Huang	42	Director
Sharon Levita (1)(2)(3)(4)(5)	53	Director
Oded Tamir (1)(2)(3)(4)(5)	65	Director

(1) Member of the Compensation Committee
(2) Member of the Audit Committee and Financial Statement Examination Committee
(3) External Director (as defined under Israeli law)
(4) Independent Director (as defined under Israeli law)
(5) Independent Director (as defined under Nasdaq Stock Market rules)

Ron Mayron, Chairman of the Board of Directors

Mr. Ron Mayron has served as Chairman of our board of directors since December 2017. Mr. Mayron has served as chairman of the board of directors of Resymmetry Ltd. since July 2016, InnoCan Pharma Corporation (CSE: INNO, FWB: IP4, OTC: INNPF) since November 2017 and Virility Medical LTD since October 2019, and as a member of the board of directors of BioLight Life Sciences Investments Ltd. (TASE: BOLT) since August 2015, G-Med Ltd. since September 2015, Kaizen Bio-Tec Ltd. since May 2017, Simplivia Ltd. since May 2019 and Kadimastem LTD (TASE: KDST) since December 2020. Mr. Mayron has also served as the founder and chief executive officer of RonMed Ltd. Prior to that, Mr. Mayron has served as chairman of the board of directors of Wize Pharma Inc. (OTC: WIZP) from April 2015 to October 2018 and Ocon Medical Ltd from January 2015 to November 2016, and as a member of the board of directors of EclipeIR (USA) Inc from June 2016 to September 2019. Mr. Mayron has also served in various positions at Teva Pharmaceutical Industries Ltd. (NYSE: TEVA, TASE: TEVA) from 1993 to 2014, including as vice president –Israel and Africa and chief executive officer of Teva Israel from 2009 to 2013. Mr. Mayron received his B.Sc. in industrial and management engineering from Ben-Gurion University of the Negev, Israel and MBA from Tel-Aviv University, Israel. Mr. Mayron also completed a special senior management and global leadership programs at the Massachusetts Institute of Technology (M.I.T), Boston and managerial skills for international business and executive international marketing programs at Insead University, France.

Eyal Shamir, Chief Executive Officer and Director

Mr. Eyal Shamir has served as our Chief Executive Officer since September 2016 and on our board of directors since December 2017. Mr. Shamir has over 15 years of experience as chief executive officer of medical device companies. He has served as chief executive officer of Erika Carmel Ltd. from May 2013 to August 2016, Tadbik Pack Ltd. from January 2011 to December 2012 and Hanita Lenses Ltd. from 2006 to 2010. Mr. Shamir received his B.A. in economics and business management from the Hebrew University, Israel and his MBA from the College of Management Academic Studies, Israel.

Ronen Tsimerman, Chief Financial Officer and Chief Operation Officer

Mr. Ronen Tsimerman has served as our Chief Financial Officer since May 2017 and as our Chief Operation Officer since May 2018. Mr. Tsimerman has over 15 years of experience as chief financial officer of public and private companies. He has served as chief financial officer of Insuline Medical Ltd. from June 2015 to May 2017, as chief financial officer of Mer-Group Broadband division (TASE: CMER) from 2005 to 2013 and as vice president of finance of Mer-Group Telecom Division from 2013 to 2014. Mr. Tsimerman received his Bachelor in business and MBA from The College of Management, Israel.

Shay Levav, Vice President, Regulatory and Quality Assurance and Clinical Applications

Mr. Shay Levav has served as our Vice President, Regulatory and Quality Assurance and Clinical Applications since September 2020. Before joining the Company, Mr. Levav has served as a member on the board of directors of Applied Spectral Imaging from December 2018 to September 2020 and as its quality and regulatory affairs manager since January 2015 to December 2018. He has also served as commercialization business manager of Carestream Health Inc. from 2012 to 2015, as its operations

quality manager since 2001 to 2012, and service engineer since 2000 to 2001. Mr. Levav holds a B.A. from the Ruppin Academy Center, Israel.

Tlalit Bussi Tel-Tzure, Vice President, Business Development and Global Marketing

Ms. Tlalit Bussi Tel-Tzure has served as our Vice President, Business Development and Global Marketing, since December 2018. Ms. Bussi Tel-Tzure has more than 20 years of sales, business developments and marketing of medical device companies. She has served as vice president of marketing of DiA Imaging Analysis Ltd. form April 2017 to December 2018, and as vice president of sales and marketing of Medical Compression System Ltd. from September 2012 to August 2017. Ms. Bussi Tel-Tzure received her Bachelor of Science from the Hebrew University, Israel and her MBA from the Heriot-Watt University, United Kingdom.

Naum Muchnik, Vice President, Research, Development and Engineering

Mr. Naum Muchnik has served as our Vice President, Research, Development and Engineering since March 2018. Prior to that, Mr. Muchnik has served as operations and service manager of Medasense Biometrics Ltd. from August 2016 to March 2018 and as research and development mechanical team leader and project leader of GE Healthcare – Ultrasound. Mr. Muchnik received his M.Sc. in technology management from the Holon Technology Institute, Israel and Bachelor of Technology in mechanical engineering from the Ort Braude Academic College, Israel.

Doron Birger, Director

Mr. Doron Birger has served on our board of directors since August 2012. Mr. Birger has also served as chief executive officer of Doron Birger Management and Consulting, as the chairman of the board of directors of Nurami Medical Ltd. since April 2016, Sight Diagnostic Ltd. since June 2014, Ultrasight Medical Imaging Ltd. from June 2019 Intelicanna Ltd. (TASE: INTL) from April 2021 and Matricelf Ltd. from December 2020 and as a director of Vibrant Ltd. since December 2014, Hera Med Ltd. (ASX: HMD) since November 2019, Citrine Global (OTC: CTGL) since March 2020, Kadimastem Ltd. (TASE: KDST) since December 2020 and Netiv Ha'or, a subsidiary of the Israel Electric Corporation Ltd. since March 2020 and as chairman and director in a variety of non-profit organizations. Prior to that, Mr. Birger has served as member of the board of directors of MCS Medical Compression Systems (DBN) Ltd. (TASE:MDCL) from March 2015 to May 2018, Mekorot National Water Company Ltd. from November 2015 to November 2018, and chairman of the board of directors of Insulin Medical Ltd. (TASE: INSL) from March 2016 to August 2017, IOPtima Ltd. from June 2012 to June 2019, MST Medical Surgical Technologies Ltd. from August 2009 to June 2019, Highcon Ltd. from November 2014 to January 2018, Magisto Ltd. from September 2009 to July 2019, Real Imaging Ltd. from November 2018 to April 2019 and Medigus Ltd. (Nasdaq and TASE: MDGS) from May 2015 to September 2018. Mr. Birger received his B.A and M.A in economics from the Hebrew University, Israel.

Yang Huang, Director

Mr. Yang Huang has served on our board of directors since April 2020. Mr. Huang has 20 years of senior sales and marketing management experience in the field of medical devices. Mr. Huang has also served as operation directors of Virtus Inspire Ventures, a private equity fund, since July 2019 and as a corporate representative of IceCure (Shanghai) MedTech Co., Ltd. since July 2020, Prior to that, Mr. Huang has served as business unit director of Olympus (Beijing) Sales & Service Co., Ltd. from November 2016 to July 2019 and as business unit director of B. Braun MEDICAL (SHANGHAI) International Trading Co., Ltd. from January 2015 to November 2016. Mr. Huang has graduated from Cheung Kong Graduate School of Business, China and Zhejiang Medical University, China.

Sharon Levita, Director

Ms. Sharon Levita has served on our board of directors since September 2019. Ms. Levita also serves as business development and strategy leader at Medtronic. Prior to that, Ms. Levita has served as vice president operations and site leader of Mazor, as part of Medtronic, from December 2018 to January 2020 and as chief financial officer and vice president business operations of Mazor Robotics Ltd. from February 2008 to December 2018. Ms. Levita received her B.A in economics and accounting from the Haifa University, Israel and her M.A in business administration from the Bar-Ilan University, Israel. Ms. Levita is also a certificated public accountant in Israel.

Oded Tamir, Director

Mr. Oded Tamir has served on our board of directors since August 2013. Mr. Tamir has also served as chairman of the board of directors of Fertigo Medical Ltd. since November 2018 and as a member of the advisory board of Biodesign Israel, a medical entrepreneurship and innovation program, from June 2018. Prior to that, Mr. Tamir has served as chairman of Imedis AI Ltd. from November 2018 to September 2020 and LensFree Ltd. from June 2019 to September 2020, and as president and chief executive officer of RADLogics Inc. from June 2013 to December 2016. Mr. Tamir received his B.Sc. in economics and business management from the Technion – Israel Institute of Technology, Israel completed advanced accounting studies at the University of Haifa, Israel executive development management program at the Technion – Institute of Management, Israel and executive education and training program at the John F. Welch Leadership Development Center, New York.

Family Relationships

There are no family relationships between any members of our executive management and our directors.

Arrangements for Election of Directors and Members of Management

With the exception of our director, Yang Huang, who was appointed by Epoch Partner Investments Limited, one of our shareholders, there are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any of our executive management or our directors were selected (see "Related Party Transactions" for additional information).

Compensation

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2020. The table does not include any amounts we paid to reimburse any of such persons for costs incurred in providing us with services during this period.

All amounts reported in the tables below reflect the cost to the Company, in thousands of U.S. Dollars, for the year ended December 31, 2020.

Name and Principal Position	Salary, Bonuses, Pension, Retirement and Other Similar Benefits	Share Based Compensation	Total
Eyal Shamir *Chief Executive Officer*	$ 370	$ 50	$ 420
Ronen Tsimerman *Chief Financial Officer and Chief Operation Officer*	$ 263	$ 35	$ 298
Elisabeth Sadka [1] *Former VP Regulatory and Quality Assurance and Clinical Applications*	$ 185	$ -20[2]	$ 165
Naum Muchnik *VP Research, Development and Engineering*	$ 215	$ 21	$ 236
Shay Levav [3] *VP Regulatory and Quality Assurance and Clinical Applications*	$ 70	$ 8	$ 78
Tlalit Bussi Tel-Tzure *VP Buisness Development and Global Marketing*	$ 232	$ 31	$ 263

(1) Ms. Sadka terminated her position as VP Regulatory and Quality Assurance and Clinical Applications of the Company in October 3, 2020.
(2) Upon termination of her employment with the Company, Ms. Sadka's unvested options were forfeited.
(3) Mr. Levav commenced his position as VP Regulatory and Quality Assurance and Clinical Applications of the Company in September 2020.

Employment Agreements with Executive Officers

We have entered into written employment agreements with each of our executive officers. All of these agreements 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. In addition, we have entered into agreements with each executive officer and director pursuant to which we have agreed to indemnify each of them up to a certain amount and to the extent that these liabilities are not covered by directors' and officers' insurance.

Employment Agreement with Eyal Shamir as Chief Executive Officer

On August 7, 2016, we entered into an employment agreement with Mr. Shamir to act as our Chief Executive Officer, effective as of November 1, 2016. Mr. Shamir currently receives a monthly base salary of NIS 67,500 (approximately $20,633). He may also receive, at the sole discretion of the board of directors and the compensation committee, an additional cash performance-based bonuses at the end of each year of up to three months' base salary and a discretionary equity award equal to additional two months' salary. The employment agreement may be terminated by the Company or by Mr. Shamir at any time and for any reason upon a 90-day prior written notice.

Employment Agreement with Ronen Tsimerman as Chief Financial Officer and Chief Operation Officer

On March 29, 2017, we entered into an employment agreement with Mr. Tsimerman to act as our Chief Financial Officer, effective as of May 1, 2017, and as our Chief Operation Officer as of May 21, 2018. Mr. Tsimerman currently receives a monthly base salary of NIS 45,000 (approximately $13,755). He may also receive, at the sole discretion of the board of directors and the compensation committee, an additional cash performance-based bonuses at the end of each year of up to three months' base salary and an additional discretionary equity award equal to an additional one month salary. The employment agreement may be terminated by the Company or by Mr. Tsimerman at any time and for any reason upon a 90-day prior written notice.

Employment Agreement with Naum Mutchnik as VP Research, Development and Engineering

On February 20, 2018, we entered into an employment agreement with Mr. Muchnik to act as our VP Research and Development, effective as of March 21, 2018. Mr. Muchnik currently receives a monthly base salary of NIS 40,000 (approximately $12,227). He may also receive, at the sole discretion of the board of directors and the compensation committee, an additional cash performance-based bonuses at the end of each year of up to three months' base salary and an additional discretionary equity award equal to additional one month salary. The employment agreement may be terminated by the Company or by Mr. Muchnik at any time and for any reason upon a 90-day prior written notice.

Employment Contract with Mr. Shay Levav as VP Regulatory and Quality Assurance and Clinical Applications

On July 12, 2020, we entered into an employment agreement with Mr. Levav to act as our VP Regulatory and Quality Assurance and Clinical Applications, effective as of September 6, 2020. Mr. Levav currently receives a monthly base salary of NIS 40,000 (approximately $12,227). He may also receive, at the sole discretion of the board of directors and the compensation committee, an additional cash performance-based bonuses at the end of each year up to three months' base salary and an additional discretionary equity award equal to an additional one month salary. The employment agreement may be terminated by the Company or by Mr. Levav at any time and for any reason upon a 60-day prior written notice .

Employment Contract with Ms. Tlalit Bussi Tel-Tzur as VP Business Development and Global Marketing

On February 13, 2019, we entered into an employment agreement with Ms. Tel-Tzur to act as our VP Business Development and Global Marketing, effective as of February 13, 2019. Ms. Tel-Tzur currently receives a monthly base salary of NIS 42,000 (approximately $12,838). She may also receive, at the sole discretion of the board of directors and compensation committee, an additional cash performance-based bonuses at the end of each year of up to three months' base salary and an additional discretionary equity award equal to an additional one month salary. The employment agreement may be terminated by the Company or by Ms. Tel-Tzur at any time and for any reason upon a 90-day prior written notice.

For a description of the terms of our options and option plans (see "Management—Share Incentive Plan" below).

Directors' Service Contracts

Other than with respect to our directors that are also executive officers, we do not have written agreements with any director providing for benefits upon the termination of his employment with our company.

Differences between the Companies Law and Nasdaq Requirements

Companies incorporated under the laws of the State of Israel whose shares are publicly traded, including companies with shares listed on Nasdaq, are considered public companies under Israeli law and are required to comply with various corporate governance requirements under Israeli law relating to such matters as the composition and responsibilities of the audit committee and the compensation committee (subject to certain exceptions that we intend to utilize), and a requirement to have an internal auditor. These requirements are in addition to the corporate governance requirements imposed by the rules of The Nasdaq Stock Market and other applicable provisions of U.S. securities laws to which we will become subject (as a foreign private issuer) upon the closing of this offering and the listing of our ordinary shares on Nasdaq. Under the Nasdaq Stock Market Rules, a foreign private issuer may generally follow its home country rules of corporate governance in lieu of the comparable requirements of the Nasdaq Rules, except for certain matters including the composition and responsibilities of the audit committee.

In accordance with Israeli law and practice and subject to the exemption set forth in Rule 5615 of the Nasdaq Stock Market rules, we have elected to follow the provisions of the Companies Law, rather than the Nasdaq Stock Market rules, with respect to the following requirements:

- *Distribution of periodic reports to shareholders; proxy solicitation*. As opposed to the Nasdaq Stock Market rules, which require listed issuers to make such reports available to shareholders in one of a number of specific manners, Israeli law does not require us to distribute periodic reports directly to shareholders, and the generally accepted business practice in Israel is not to distribute such reports to shareholders but to make such reports available through a public website. In addition to making such reports available on a public website, we currently make our audited consolidated financial statements available to our shareholders at our offices and will only mail such reports to shareholders upon request. As a foreign private issuer, we are generally exempt from the SEC's proxy solicitation rules.

- *Quorum*. While the Nasdaq Stock Market rules require that the quorum for purposes of any meeting of the holders of a listed company's common voting stock, as specified in the company's bylaws, be no less than 33 1/3% of the company's outstanding common voting stock, under Israeli law, a company is entitled to determine in its articles of association the number of shareholders and percentage of holdings required for a quorum at a shareholders meeting. Our articles of association provide that a quorum of two or more shareholders holding at least two (2) shareholders, in person or by proxy, holding at least 25% of the voting rights. in person or by proxy is required for commencement of business at a general meeting. However, the quorum set forth in our articles of association with respect to an adjourned meeting consists of at least one shareholders present in person or by proxy.

- *Nomination of our directors.* With the exception of directors elected by our board of directors and external directors, our directors are elected by an annual or special meeting of our shareholders (i) to hold office until the next annual meeting following his or her election or (ii) for three-year term, as described below under "Management—Board Practices—External Directors." The nominations for directors, which are presented to our shareholders by our board of directors, are generally made by the board of directors itself, in accordance with the provisions of our articles of association and the Companies Law. Nominations need not be made by a nominating committee of our board of directors consisting solely of independent directors, as required under the Nasdaq Stock Market rules.

- *Compensation of officers.* Israeli law and our articles of association do not require that the independent members of our board of directors (or a compensation committee composed solely of independent members of our board of directors) determine an executive officer's compensation, as is generally required under the Nasdaq Stock Market rules with respect to the chief executive officer and all other executive officers. Instead, compensation of executive officers is determined and approved by our compensation committee and our board of directors, and in certain circumstances by our shareholders, either in consistency with our office holder compensation policy or, in special circumstances in deviation therefrom, taking into account certain considerations stated in the Companies Law (see "Management —Board Practices—Approval of Related Party Transactions under Israeli Law" for additional information).

- *Independent directors.* Israeli law does not require that a majority of the directors serving on our board of directors be "independent," as defined under Nasdaq Listing Rule 5605(a)(2), and rather requires we have at least two external directors who meet the requirements of the Companies Law, as described above under "Management—Board Practices—External Directors." We are required, however, to ensure that all members of our audit committee are "independent" under the applicable Nasdaq and SEC criteria for independence (as we cannot exempt ourselves from compliance with that SEC independence requirement, despite our status as a foreign private issuer), and we must also ensure that a majority of the members of our audit committee are "independent directors" as defined in the Companies Law. Furthermore, Israeli law does not require, nor do our independent directors conduct, regularly scheduled meetings at which only they are present, which the Nasdaq Stock Market rules otherwise require.

- *Shareholder approval.* We will seek shareholder approval for all corporate actions requiring such approval under the requirements of the Companies Law, rather than seeking approval for corporation actions in accordance with Nasdaq Listing Rule 5635. In particular, under this Nasdaq Stock Market rule, shareholder approval is generally required for: (i) an acquisition of shares/assets of another company that involves the issuance of 20% or more of the acquirer's shares or voting rights or if a director, officer or 5% shareholder has greater than a 5% interest in the target company or the consideration to be received; (ii) the issuance of shares leading to a change of control; (iii) adoption/amendment of equity compensation arrangements (although under the provisions of the Companies Law there is no requirement for shareholder approval for the adoption/amendment of the equity compensation plan); and (iv) issuances of 20% or more of the shares or voting rights (including securities convertible into, or exercisable for, equity) of a listed company via a private placement (and/or via sales by directors/officers/5% shareholders) if such equity is issued (or sold) at below the greater of the book or market value of shares. By contrast, under the Companies Law, shareholder approval is required for, among other things: (i) transactions with directors concerning the terms of their service or indemnification, exemption and insurance for their service (or for any other position that they may hold at a company), for which approvals of the compensation committee, board of directors and shareholders are all required, (ii) extraordinary transactions with controlling shareholders of publicly held companies, which require the special approval, and (iii) terms of employment or other engagement of the controlling shareholder of us or such controlling shareholder's relative, which require special approval. In addition, under the Companies Law, a merger requires approval of the shareholders of each of the merging companies.

- *Approval of Related Party Transactions.* All related party transactions are approved in accordance with the requirements and procedures for approval of interested party acts and transaction as set forth in the Companies Law, which requires the approval of the audit committee, or the compensation committee, as the case may be, the board of directors and shareholders, as may be applicable, for specified transactions, rather than approval by the audit committee or other independent body of our board of directors as required under the Nasdaq Stock Market rules (see "Management—Board Practices—Approval of Related Party Transactions under Israeli Law" for additional information).

- *Annual Shareholders Meeting.* As opposed to the Nasdaq Stock Market Rule 5620(a), which mandates that a listed company hold its annual shareholders meeting within one year of the company's fiscal year-end, we are required, under the Companies Law, to hold an annual shareholders meeting each calendar year and within 15 months of the last annual shareholders meeting.

Board Practices

Introduction

Our board of directors presently consists of six members, including two external directors required to be appointed under the Companies Law. We believe that Ms. Sharon Levita, Mr. Oded Tamir and Mr. Doron Birger are "independent" for purposes of the Nasdaq Stock Market rules. Our articles of association provide that the number of board of directors' members (including external directors) shall be set by the general meeting of the shareholders provided that it will consist of not less than five (5) and not more than eleven (11). Pursuant to the Companies Law, the management of our business is vested in 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 management. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our board of directors. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by our Chief Executive Officer. Their terms of employment are subject to the approval of the compensation committee and of the board of directors, and are subject to the terms of any applicable employment agreements that we may enter into with them.

Each director, except external directors, will hold office until the next annual general meeting of our shareholders following his or her appointment, or until he or she resigns or unless he or she is removed by a majority vote of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events, in accordance with the Companies Law and our articles of association.

In addition, under certain circumstances, our articles of association allow our board of directors to appoint directors to fill vacancies on our board of directors or in addition to the acting directors (subject to the limitation on the number of directors), until the next annual general meeting or special general meeting in which directors may be appointed or terminated. External directors may be elected for up to two additional three-year terms after their initial three-year term under the circumstances described below, with certain exceptions as described in "External Directors" below. External directors may be removed from office only under the limited circumstances set forth in the Companies Law (see "Management—Board Practices—External Directors" below).

Under the Companies Law, any shareholder holding at least one percent of our outstanding voting power may nominate a director. However, any such shareholder may make such a nomination only if a notice of such shareholder's intent to make such nomination has been given to our board of directors. Any such notice must include certain information, including the consent of the proposed director nominee to serve as our director if elected, and a declaration that the nominee signed declaring that he or she possesses the requisite skills and has the availability to carry out his or her duties. Additionally, the nominee must provide details of such skills, and demonstrate an absence of any limitation under the Companies Law that may prevent his or her election, and affirm that all of the required election-information is provided to us, pursuant to the Companies Law.

Under the Companies Law, our board of directors must determine the minimum number of directors who are required to have accounting and financial expertise. In determining the number of directors required to have such expertise, our board of directors must consider, among other things, the type and size of the company and the scope and complexity of its operations. Our board of directors has determined that the minimum number of directors of our company who are required to have accounting and financial expertise is one.

The board of directors must elect one director to serve as the chairman of the board of directors to preside at the meetings of the board of directors, and may also remove that director as chairman. Pursuant to the Companies Law, neither the chief executive officer nor any of his or her relatives is permitted to serve as the chairman of the board of directors, and a company may not vest the chairman or any of his or her relatives with the chief executive officer's authorities. In addition, a person who reports, directly or indirectly, to the chief executive officer may not serve as the chairman of the board of directors; the chairman may not be vested with authorities of a person who reports, directly or indirectly, to the chief executive officer; and the chairman may not serve in any other position in the company or a controlled company, but he or she may serve as a director or chairman of a controlled company. However, the Companies Law permits a company's shareholders to determine, for a period not exceeding three years from each such determination, that the chairman or his or her relative may serve as chief executive officer or be vested with the chief executive officer's authorities, and that the chief executive officer or his or her relative may serve as chairman or be vested with the chairman's authorities. Such determination of a company's shareholders requires either: (1) the approval of at least a majority of the shares of those shareholders present and voting on the matter (other than controlling shareholders and those having a personal interest in the determination) (shares held by abstaining shareholders shall not be considered); or (2) that the total number of shares opposing such determination does not exceed 2% of the total voting power in the company. Currently, we have a separate chairman and chief executive officer.

The board of directors may, subject to the provisions of the Companies Law, delegate any or all of its powers to committees of the board, and it may, from time to time, revoke such delegation or alter the composition of any such committees, subject to certain limitations. Unless otherwise expressly provided by the board of directors, the committees shall not be empowered to further delegate such powers. The composition and duties of our audit committee, financial statement examination committee and compensation committee are described below.

The board of directors oversees how management monitors compliance with our risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by us. The board of directors is assisted in its oversight role by an internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to our audit committee.

External Directors

Under the Companies Law, an Israeli company whose shares have been offered to the public or whose shares are listed for trading on a stock exchange in or outside of Israel is required to appoint at least two external directors to serve on its board of directors. External directors must meet stringent standards of independence. As of the date hereof, our external directors are Ms. Sharon Levita and Mr. Oded Tamir.

According to regulations promulgated under the Companies law, at least one of the external directors is required to have "financial and accounting expertise," unless another member of the audit committee, who is an independent director under the Nasdaq Stock Market rules, has "financial and accounting expertise," and the other external director or directors are required to have "professional expertise." An external director may not be appointed to an additional term unless: (1) such director has "accounting and financial expertise;" or (2) he or she has "professional expertise," and on the date of appointment for another term there is another external director who has "accounting and financial expertise" and the number of "accounting and financial experts" on the board of directors is at least equal to the minimum number determined appropriate by the board of directors. We have determined that both Ms. Sharon Levita and Mr. Oded Tamir have accounting and financial expertise.

A director with accounting and financial expertise is a director who, due to his or her education, experience and skills, possesses a high degree of proficiency in, and an understanding of, business – accounting matters and financial statements, such that he or she is able to understand the financial statements of the company in depth and initiate a discussion about the manner in which financial data is presented. A director is deemed to have "professional expertise" if he or she holds an academic degree in certain fields or has at least five years of experience in one of the said fields or in certain senior positions.

External directors are elected by a majority vote at a shareholders' meeting, as long as either:

- at least a majority of the shares held by shareholders who are not controlling shareholders and do not have personal interest in the appointment (excluding a personal interest that did not result from the shareholder's relationship with the controlling shareholder) have voted in favor of the proposal (shares held by abstaining shareholders shall not be considered); or

- the total number of shares voted against the election of the external director, does not exceed 2% of the aggregate voting rights of the company.

The term "control" is defined in the Companies Law as the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder "holds" (within the meaning of the Companies Law) 50% or more of the voting rights in a company or has the right to appoint 50% or more of the directors of the company or its general manager. With respect to certain matters (for example: interested party transactions), a controlling shareholder is deemed to include a shareholder that holds 25% or more of the voting rights in a public company if no other shareholder holds more than 50% of the voting rights in the company, but excludes a shareholder whose power derives solely from his or her position as a director of the company or from any other position with the company.

The Companies Law provides for an initial three-year term for an external director. Thereafter, an external director may be reelected by shareholders to serve in that capacity for up to two additional three-year terms, provided that:

(1) his or her service for each such additional term is recommended by one or more shareholders holding at least one percent of the company's voting rights and is approved at a shareholders meeting by a disinterested majority, where the total number of shares held by non-controlling, disinterested shareholders voting for such reelection exceeds two percent of the aggregate voting rights in the company and subject to additional restrictions set forth in the Companies Law with respect to the affiliation of the external director nominee as described below;

(2) his or her service for each such additional term is recommended by the board of directors and is approved at a shareholders meeting by the same disinterested majority required for the initial election of an external director (as described above); or

(3) the external director offered his or her service for each such additional term and was approved in accordance with the provisions of section (1) above.

The term of office for external directors for Israeli companies traded on certain foreign stock exchanges, including the Nasdaq Stock Market, may be extended indefinitely in increments of additional three-year terms, in each case provided that the audit committee and the board of directors of the company confirm that, in light of the external director's expertise and special contribution to the work of the board of directors and its committees, the reelection for such additional period(s) is beneficial to the company, and provided that the external director is reelected subject to the same shareholder vote requirements as if elected for the first time (as described above). Prior to the approval of the reelection of the external director at a general shareholders meeting, the company's shareholders must be informed of the term previously served by him or her and of the reasons why the board of directors and audit committee recommended the extension of his or her term.

The Companies Law provides that a person is not qualified to serve as an external director if (i) the person is a relative of a controlling shareholder of the company, or (ii) if that person or his or her relative, partner, employer, another person to whom he or she was directly or indirectly subordinate, or any entity under the person's control, has or had, during the two years preceding the date of appointment as an external director: (a) any affiliation or other disqualifying relationship with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or (b) in the case of a company with no shareholder holding 25% or more of its voting rights, had at the date of appointment as an external director, any affiliation or other disqualifying relationship with a person then serving as chairman of the board or chief executive officer, with a holder of 5% or more of the issued share capital or voting power in the company or with the most senior financial officer.

The term "relative" is defined under the Companies Law as a spouse, sibling, parent, grandparent or descendant; spouse's sibling, parent or descendant; and the spouse of each of the foregoing persons.

Under the Companies Law, the term "affiliation" and the similar types of disqualifying relationships include (subject to certain exceptions):

- an employment relationship;

- a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);

- control; and

- service as an office holder, excluding service as a director in a private company prior to the initial public offering of its shares if such director was appointed as a director of the private company in order to serve as an external director following the initial public offering.

The term "office holder" is defined under 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 that person's title, a director and any other manager directly subordinate to the general manager.

In addition, no person may serve as an external director if that person's position or professional or other activities create, or may create, a conflict of interest with that person's responsibilities as a director or otherwise interfere with that person's ability to serve as a director or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. A person may furthermore not continue to serve as an external director if he or she received direct or indirect compensation from the company including amounts paid pursuant to indemnification and/or exculpation contracts or commitments and insurance coverage, other than for his or her service as an external director as permitted by the Companies Law and the regulations promulgated thereunder.

Following the termination of an external director's service on a board of directors, such former external director and his or her spouse and children may not be provided a direct or indirect benefit by the company, its controlling shareholder or any entity under its controlling shareholder's control. This includes engagement as an office holder or director of the company or a company controlled by its controlling shareholder or employment by, or provision of services to, any such company for consideration, either directly or indirectly, including through a corporation controlled by the former external director. This restriction extends for a period of two years with regard to the former external director and his or her spouse or child and for one year with respect to other relatives of the former external director.

External directors may be removed only by a special general meeting of shareholders called by the board of directors after the board has determined the occurrence of circumstances allow such dismissal, at the same special majority of shareholders required for their election or by a court, and in both cases only if the external directors cease to meet the statutory qualifications for their appointment or if they violate their duty of loyalty to our company. In the event of a vacancy created by an external director which causes the company to have fewer than two external directors, the board of directors is required under the Companies Law to call a shareholders meeting as soon as possible to appoint such number of new external directors in order that the company thereafter has two external directors.

External directors may be compensated only in accordance with regulations adopted under the Companies Law.

If at the time at which an external director is appointed all members of the board of directors who are not controlling shareholders or relatives of controlling shareholders of the company are of the same gender, the external director to be appointed must be of the other gender. A director of a company may not be appointed as an external director of another company if at the same time a director of such other company is acting as an external director of the first company.

under regulations promulgated pursuant to the Companies Law, a company with no controlling shareholder whose shares are listed for trading on specified exchanges outside of Israel, including the Nasdaq Capital Market, may adopt exemptions from various corporate governance requirements of the Companies Law, so long as such company satisfies the requirements of applicable foreign country laws and regulations, including applicable stock exchange rules, that apply to companies organized in that country and relating to the appointment of independent directors and the composition of audit and compensation committees. Such exemptions include an exemption from the requirement to appoint external directors and the requirement that an external director be a member of certain committees, as well as exemption from limitations on directors' compensation. As of the Date hereof, the Company have a controlling shareholder and therefore cannot use such exemptions.

Independent Directors Under the Companies Law

An "independent director" is either an external director or a director who meets the same non-affiliation criteria as an external director (except for (i) the requirement that the director be an Israeli resident (which does not apply to companies such as ours whose securities have been offered outside of Israel or are listed outside of Israel) and (ii) the requirement for accounting and financial expertise or professional qualifications), as determined by the audit committee, and who has not served as a director of the company for more than nine consecutive years. For these purposes, ceasing to serve as a director for a period of two years or less would not be deemed to sever the consecutive nature of such director's service.

Regulations promulgated pursuant to the Companies Law provide that a director in a public company whose shares are listed for trading on specified exchanges outside of Israel, including the Nasdaq Capital Market, who qualifies as an independent director under the relevant non-Israeli rules and who meets certain non-affiliation criteria, which are less stringent than those applicable to independent directors as set forth above, would be deemed an "independent" director pursuant to the Companies Law provided: (i) he or she has not served as a director for more than nine consecutive years; (ii) he or she has been approved as such by the audit committee; and (iii) his or her remuneration shall be in accordance with the Companies Law and the regulations promulgated thereunder. For these purposes, ceasing to serve as a director for a period of two years or less would not be deemed to sever the consecutive nature of such director's service.

Furthermore, pursuant to these regulations, such company may reappoint a person as an independent director for additional terms, beyond nine years, which do not exceed three years each, if each of the audit committee and the board of directors determine, in that order, that in light of the independent director's expertise and special contribution to the board of directors and its committees, the reappointment for an additional term is in the company's best interest.

Alternate Directors

Our articles of association provide, as allowed by the Companies Law, that any director may, subject to the conditions set thereto including approval of the nominee by our board of directors, appoint a person as an alternate to act in his place, to remove the alternate and appoint another in his place and to appoint an alternate in place of an alternate whose office is vacated for any reason whatsoever. Under the Companies Law, a person who is not qualified to be appointed as a director, a person who is already serving as a director or a person who is already serving as an alternate director for another director, may not be appointed as an alternate director. Nevertheless, a director who is already serving as a director may be appointed as an alternate director for a member of a committee of the board of directors so long as he or she is not already serving as a member of such committee, and if the alternate director is to replace an external director, he or she is required to be an external director and to have either "financial and accounting expertise" or "professional expertise," depending on the qualifications of the external director he or she is replacing. A person who does not have the requisite "financial and accounting experience" or the "professional expertise," depending on the qualifications of the external director he or she is replacing, may not be appointed as an alternate director for an external director. A person who is not qualified to be appointed as an independent director, pursuant to the Companies Law, may not be appointed as an alternate director of an independent director qualified as such under the Companies Law. Unless the appointing director limits the time or scope of the appointment, the appointment is effective for all purposes until the appointing director ceases to be a director or terminates the appointment.

Committees of the Board of Directors

Our board of directors has established three standing committees, the audit committee, the compensation committee and the Financial Statement Examination Committee.

Audit Committee

Under the Companies Law, we are required to appoint an audit committee. The audit committee must be comprised of at least three directors, including all of the external directors (one of whom must serve as chair of the committee). The audit committee may not include the chairman of the board; a controlling shareholder of the company or a relative of a controlling shareholder; a director employed by or providing services on a regular basis to the company, to a controlling shareholder or to an entity controlled by a controlling shareholder; or a director who derives most of his or her income from a controlling shareholder.

In addition, a majority of the members of the audit committee of a publicly traded company must be independent directors under the Companies Law. Our audit committee is comprised of Ms. Sharon Levita, Mr. Oded Tamir and Mr. Doron Birger.

Under the Companies Law, our audit committee is responsible for:

(i) determining whether there are deficiencies in the business management practices of our company, and making recommendations to the board of directors to improve such practices;

(ii) determining whether to approve certain related party transactions (including transactions in which an office holder has a personal interest and whether such transaction is extraordinary or material under Companies Law) and establishing the approval process for certain transactions with a controlling shareholder or in which a controlling shareholder has a personal interest (see "Management—Board Practices—Approval of Related Party Transactions under Israeli law");

(iii) determining the approval process for transactions that are "non-negligible" (i.e., transactions with a controlling shareholder that are classified by the audit committee as non-negligible, even though they are not deemed extraordinary transactions), as well as determining which types of transactions would require the approval of the audit committee, optionally based on criteria which may be determined annually in advance by the audit committee;

(iv) examining our internal controls and internal auditor's performance, including whether the internal auditor has sufficient resources and tools to dispose of its responsibilities;

(v) examining the scope of our auditor's work and compensation and submitting a recommendation with respect thereto to our board of directors or shareholders, depending on which of them is considering the appointment of our auditor;

(vi) establishing procedures for the handling of employees' complaints as to deficiencies in the management of our business and the protection to be provided to such employees; and

(vii) where the board of directors approves the working plan of the internal auditor, examining such working plan before its submission to the board of directors and proposing amendments thereto.

Our audit committee may not conduct any discussions or approve any actions requiring its approval (see "Management—Board Practices—Approval of Related Party Transactions under Israeli law"), unless at the time of the approval a majority of the committee's members are present, which majority consists of independent directors under the Companies Law, including at least one external director.

Our board of directors intends to adopt an audit committee charter to be effective upon the listing of the Ordinary Shares on the Nasdaq Capital Market setting forth, among others, the responsibilities of the audit committee consistent with the rules of the SEC and Nasdaq Listing Rules (in addition to the requirements for such committee under the Companies Law), including, among others, the following:

- oversight of our independent registered public accounting firm and recommending the engagement, compensation or termination of engagement of our independent registered public accounting firm to the board of directors in accordance with Israeli law;
- recommending the engagement or termination of the person filling the office of our internal auditor, reviewing the services provided by our internal auditor and reviewing effectiveness of our system of internal control over financial reporting;
- recommending the terms of audit and non-audit services provided by the independent registered public accounting firm for pre-approval by our board of directors; and
- reviewing and monitoring, if applicable, legal matters with significant impact, finding of regulatory authorities' findings, receive reports regarding irregularities and legal compliance, acting according to "whistleblower policy" and recommend to our board of directors if so required.

Nasdaq Stock Market Requirements for Audit Committee

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

As noted above, the members of our audit committee include Ms. Sharon Levita and Mr. Oded Tamir who are external directors, and Mr. Doron Birger who is an independent director, each of whom is "independent," as such term is defined in under Nasdaq Stock Market rules. Ms. Levita serves as the chairman of our audit committee. All members of our audit committee meet the requirements for financial literacy under the Nasdaq Stock Market rules. Our board of directors has determined that each member of our audit committee is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the Nasdaq Stock Market rules.

Financial Statement Examination Committee

Under the Companies Law, the board of directors of a public company in Israel must appoint a financial statement examination committee, which consists of members with accounting and financial expertise or the ability to read and understand financial statements. Our financial statement examination committee is comprised of Ms. Sharon Levita, Mr. Oded Tamir and Mr. Doron Birger. The function of a financial statements examination committee is to discuss and provide recommendations to its board of directors (including the report of any deficiency found) with respect to the following issues: (1) estimations and assessments made in connection with the preparation of financial statements; (2) internal controls related to the financial statements; (3) completeness and propriety of the disclosure in the financial statements; (4) the accounting policies adopted and the accounting treatments implemented in material matters of the company; and (5) value evaluations, including the assumptions and assessments on which evaluations are based and the supporting data in the financial statements. Our independent registered public accounting firm and our internal auditor are invited to attend all meetings of our financial statements examination committee.

Compensation Committee

Under the Companies Law, the board of directors of any public company must establish a compensation committee. The compensation committee must be comprised of at least three directors, including all of the external directors, who must constitute a majority of the members of the compensation committee. Each compensation committee member that is not an external director must be a director whose compensation does not exceed an amount that may be paid to an external director. The compensation committee is subject to the same Companies Law restrictions as the audit committee as to: (a) who may not be a member of the committee; and (b) who may not be present during committee deliberations as described above.

Our compensation committee is acting pursuant to a written charter, and consists of Ms. Sharon Levita, Mr. Oded Tamir and Mr. Doron Birger. Our compensation committee complies with the provisions of the Companies Law, the regulations promulgated thereunder, and our articles of association, on all aspects referring to its independence, authorities and practice. Our compensation committee follows home country practice as opposed to complying with the compensation committee membership and charter requirements prescribed under the Nasdaq Stock Market rules.

Our compensation committee reviews and recommends to our board of directors: with respect to our executive officers' and directors': (1) annual base compensation (2) annual incentive bonus, including the specific goals and amounts; (3) equity compensation; (4) employment agreements, severance arrangements, and change in control agreements and provisions; (5) retirement grants and/or retirement bonuses; and (6) any other benefits, compensation, compensation policies or arrangements.

The duties of the compensation committee include the recommendation to the company's board of directors of a policy regarding the terms of engagement of office holders, to which we refer as a compensation policy. Such policy must be adopted by the company's board of directors, after considering the recommendations of the compensation committee. The compensation policy is then brought for approval by our shareholders, which requires a special majority (see "Management—Board Practices—Approval of Related Party Transactions under Israeli law"). Under the Companies Law, the board of directors may adopt the compensation policy if it is not approved by the shareholders, provided that after the shareholders oppose the approval of such policy, the compensation committee and the board of directors revisit the matter and determine that adopting the compensation policy would be in the best interests of the company. Our compensation policy was approved by our shareholders on April 2, 2020.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of executive officers and directors, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must relate to certain factors, including advancement of the company's objectives, the company's business and its long-term strategy, and creation of appropriate incentives for executives. It must also consider, among other things, the company's risk management, size and the nature of its operations. The compensation policy must furthermore

consider the following additional factors:

- the education, skills, expertise and accomplishments of the relevant director or executive;
- the director's or executive's roles and responsibilities and prior compensation agreements with him or her;
- the relationship between the cost of the terms of service of an office holder and the average median compensation of the other employees of the company (including those employed through manpower companies), including the impact of disparities in salary upon work relationships in the company;
- the possibility of reducing variable compensation at the discretion of the board of directors; and the possibility of setting a limit on the exercise value of non-cash variable compensation; and
- as to severance compensation, the period of service of the director or executive, the terms of his or her compensation during such service period, the company's performance during that period of service, the person's contribution towards the company's achievement of its goals and the maximization of its profits, and the circumstances under which the person is leaving the company.

The compensation policy must also include the following principles:

- with the exception of office holders who report directly to the chief executive officer, the link between variable compensation and long-term performance and measurable criteria;
- the relationship between variable and fixed compensation, and the ceiling for the value of variable compensation at the time of its grant;
- the conditions under which a director or executive would be required to repay compensation paid to him or her if it was later shown that the data upon which such compensation was based was inaccurate and was required to be restated in the company's financial statements;
- the minimum holding or vesting period for variable, equity-based compensation; and
- maximum limits for severance compensation.

The compensation policy must also consider appropriate incentives from a long-term perspective.

The compensation committee is responsible for: (1) recommending the compensation policy to a company's board of directors for its approval (and subsequent approval by the shareholders); and (2) duties related to the compensation policy and to the compensation of a company's office holders, including:

- recommending whether a compensation policy should continue in effect, if the then-current policy has a term of greater than three years (approval of either a new compensation policy or the continuation of an existing compensation policy must in any case occur every three years);
- recommending to the board of directors periodic updates to the compensation policy;
- assessing implementation of the compensation policy;
- determining whether the terms of compensation of certain office holders of the company need not be brought to approval of the shareholders; and
- determining whether to approve the terms of compensation of office holders that require the committee's approval.

Our compensation policy is designed to promote our long-term goals, work plan and policy, retain, motivate and incentivize our directors and executive officers, while considering the risks that our activities involve, our size, the nature and scope of our activities and the contribution of an officer to the achievement of our goals and maximization of profits, and align the interests of our directors and executive officers with our long-term performance. To that end, a portion of an executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. On the other hand, our compensation policy includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm us 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 officer's individual characteristics (such as his or her 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, equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses (including special bonuses, one-time bonus and conservation bonus) are limited to a maximum amount linked to the executive officer's base salary. In addition, our compensation policy provides for maximum permitted ratios between the total variable (cash bonuses and equity based compensation) and non-variable (base salary) compensation components, in accordance with an officer's respective position with the company.

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 executive officers other than our chairman or Chief Executive Officer may be based entirely on a discretionary evaluation. Our Chief Executive Officer will be entitled to recommend performance objectives to such executive officers, and such performance objectives will be approved by our compensation committee (and, if required by law, by our board of directors).

The performance measurable objectives of our Chief Executive Officer will be determined annually by our compensation committee and board of directors. A less significant portion of Chief Executive Officer's annual cash bonus may be based on a discretionary evaluation of the Chief Executive Officer's respective overall performance by the compensation committee and the board of directors based on quantitative and qualitative criteria.

The equity-based compensation under our compensation policy for our executive officers (including members of our board of directors) 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 in accordance with our share incentive plan then in place. Share options

granted to executive officers shall be subject to vesting periods in order to promote long-term retention of the awarded executive officers. The 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 contains compensation recovery provisions which allows us under certain conditions to recover bonuses paid in excess, enables our Chief Executive Officer to approve an immaterial change in the terms of employment of an executive officer (provided that the changes of the terms of employment are in accordance our compensation policy) and allows us to exculpate, indemnify and insure our executive officers and directors subject to certain limitations set forth thereto.

Our compensation policy also 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.

Internal Auditor

Under the Companies Law, the board of directors of an Israeli public company must appoint an internal auditor nominated by the audit committee. Our internal auditor is Mr. Doron Cohen (Fahn Kanne Control Management Ltd, Grant Thornton). The role of the internal auditor is to examine, among other things, whether a company's actions comply with the law and proper business procedure. The audit committee is required to oversee the activities, and to assess the performance of the internal auditor as well as to review the internal auditor's work plan. An internal auditor may not be an interested party or office holder, or a relative of any interested party or office holder, and may not be a member of the company's independent accounting firm or its representative. The Companies Law defines an interested party as a holder of 5% or more of the outstanding shares or voting rights of a company, any person or entity that has the right to appoint at least one director or the general manager of the company or any person who serves as a director or as the general manager of a company. Our internal auditor is not an interested party in the Company, and not our employee.

Remuneration of Directors

Under the Companies Law, remuneration of directors is subject to the approval of the compensation committee, thereafter by the board of directors and thereafter, unless exempted under the regulations promulgated under the Companies Law, by the general meeting of the shareholders. In case the remuneration of the directors is in accordance with regulations applicable to remuneration of the external directors then such remuneration shall be exempt from the approval of the general meeting. Where the director is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply.

Fiduciary Duties of Office Holders

The Companies Law imposes a duty of care and a duty of loyalty on all office holders of a company.

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 have acted under the same circumstances. The duty of care of an office holder includes a duty to use reasonable means to obtain:

- information on the advisability of a given action brought for his approval or performed by him by virtue of his position; and
- all other important information pertaining to these actions.

The duty of loyalty of an office holder requires an office holder to act in good faith and for the benefit of the company, and includes a duty to:

- refrain from any conflict of interest between the performance of his duties in the company and his performance of his other duties or personal affairs;
- refrain from any action that is competitive with the company's business;
- refrain from exploiting any business opportunity of the company to receive a personal gain for himself or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder has received due to his position as an office holder.

Insurance

Under the Companies Law, a company may obtain insurance for any of its office holders against the following liabilities incurred due to acts he or she performed as an office holder, if and to the extent provided for in the company's articles of association:

- breach of his or her duty of care to the company or to another person, to the extent such a breach arises out of the negligent conduct of the office holder;
- a breach of his or her duty of loyalty to the company, provided that the office holder acted in good faith and had reasonable cause to assume that his or her act would not prejudice the company's interests; and
- a financial liability imposed upon him or her in favor of another person.

We currently have directors' and officers' liability insurance, providing total coverage of $10 million. Upon the listing on Nasdaq, we will have directors' and officers' liability insurance to cover the Nasdaq listing exposure (among other exposures), providing total coverage of $20 million . Such insurance will also include side A directors' and officers' liability insurance, for the benefit of all of our directors and officers.

Indemnification

The Companies Law and the Israeli Securities Law, 5728-1968, or the Securities Law, provide that a company may indemnify an office holder against the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

- a financial liability imposed on him or her in favor of another person by any judgment concerning an act performed in his or her capacity as an office holder, including a settlement or arbitrator's award approved by a court;

- reasonable litigation expenses, including attorneys' fees, expended by the office holder (a) 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 (1) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (2) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her 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; or (b) in connection with a monetary sanction;

- reasonable litigation expenses, including attorneys' fees, expended by the office holder or imposed on him or her by a court: (1) in proceedings that the company institutes, or that another person institutes on the company's behalf, against him or her; (2) in a criminal proceedings of which he or she was acquitted; or (3) as a result of a conviction for a crime that does not require proof of criminal intent; and

- expenses incurred by an office holder in connection with an Administrative Procedure under the Securities Law, including reasonable litigation expenses and reasonable attorneys' fees. An "Administrative Procedure" is defined as a procedure pursuant to chapters H3 (Monetary Sanction by the Israeli Securities Authority), H4 (Administrative Enforcement Procedures of the Administrative Enforcement Committee) or I1 (Arrangement to prevent Procedures or Interruption of procedures subject to conditions) to the Securities Law.

The Companies Law also permits a company to undertake in advance to indemnify an office holder, provided that if such indemnification relates to financial liability imposed on him or her, as described above, then the undertaking should be limited and shall detail the following foreseen events and amount or criterion:

- to events that in the opinion of the board of directors can be foreseen based on the company's activities at the time that the undertaking to indemnify is made; and

- in amount or criterion determined by the board of directors, at the time of the giving of such undertaking to indemnify, to be reasonable under the circumstances.

We have entered into indemnification agreements with all of our directors and with all members of our senior management. Each such indemnification agreement provides the office holder with indemnification permitted under applicable law and up to a certain amount, and to the extent that these liabilities are not covered by directors and officer's insurance.

Exculpation

Under the Companies Law, an Israeli company may not exculpate an office holder from liability for a breach of his or her duty of loyalty, but may exculpate in advance an office holder from his or her liability to the company, in whole or in part, for damages caused to the company as a result of a breach of his or her duty of care (other than in relation to distributions), but only if a provision authorizing such exculpation is included in its articles of association. Our articles of association provide that we may exculpate, in whole or in part, any office holder from liability to us for damages caused to the company as a result of a breach of his or her duty of care, but prohibit an exculpation from liability arising from a company's transaction in which our controlling shareholder or officer has a personal interest. Subject to the aforesaid limitations, under the indemnification agreements, we exculpate and release our office holders from any and all liability to us related to any breach by them of their duty of care to us to the fullest extent permitted by law.

Limitations

The Companies Law provides that we may not exculpate or indemnify an office holder nor enter into an insurance contract that would provide coverage for any liability incurred as a result of any of the following: (1) a breach by the office holder of his or her duty of loyalty unless (in the case of indemnity or insurance only, but not exculpation) the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice us; (2) a breach by the office holder of his or her duty of care if the breach was carried out intentionally or recklessly (as opposed to merely negligently); (3) any act or omission committed with the intent to derive an illegal personal benefit; or (4) any fine, monetary sanction, penalty or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders in a public company must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders.

Our articles of association permit us to exculpate (subject to the aforesaid limitation), indemnify and insure our office holders to the fullest extent permitted or to be permitted by the Companies Law.

The foregoing descriptions summarize the material aspects and practices of our board of directors. For additional details, we also refer you to the full text of the Companies Law, as well as of our articles of association, which are exhibits to this registration statement of which this prospectus forms a part, and are incorporated herein by reference.

There are no service contracts between us or any of our subsidiaries, on the one hand, and our directors in their capacity as directors, on the other hand, providing for benefits upon termination of service.

Approval of Related Party Transactions under Israeli Law

General

Under the Companies Law, we may approve an action by an office holder from which the office holder would otherwise have to refrain, as described above, if:

- the office holder acts in good faith and the act or its approval does not cause harm to the company; and

- the office holder disclosed the nature of his or her interest in the transaction (including any significant fact or document) to the company at a reasonable time before the company's approval of such matter.

Disclosure of Personal Interests of an Office Holder

The Companies Law requires that an office holder disclose to the company, promptly, and, in any event, not later than the board meeting at which the transaction is first discussed, any direct or indirect personal interest that he or she may have and all related material information known to him or her relating to any existing or proposed transaction by the company, including without limitations, any material document or fact regarding such transaction. If the transaction is an extraordinary transaction, the office holder must also disclose any personal interest held by:

- the office holder's relatives; or

- any corporation in which the office holder or his or her relatives holds 5% or more of the shares or voting rights, serves as a director or general manager or has the right to appoint at least one director or the general manager.

An office holder is not, however, obliged to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered an extraordinary transaction. Under the Companies Law, an extraordinary transaction is a transaction:

- not in the ordinary course of business; or
- not on market terms; or
- that is likely to have a material effect on the company's profitability, assets or liabilities.

The Companies Law does not specify to whom within us nor the manner in which required disclosures are to be made. We require our office holders to make such disclosures to our board of directors.

Under the Companies Law, once an office holder complies with the above disclosure requirement, the board of directors may approve a transaction between the company and an office holder, or a third party in which an office holder has a personal interest, unless the articles of association provide otherwise and provided that the transaction is in the company's interest. If the transaction is an extraordinary transaction in which an office holder has a personal interest, first the audit committee and then the board of directors, in that order, must approve the transaction. Under specific circumstances, shareholder approval may also be required. Generally, a person who has a personal interest in a matter which is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting unless the chairman of the audit committee or board of directors (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. A director who has a personal interest in a transaction, which is considered at a meeting of the board of directors or the audit committee, may not be present at this meeting or vote on this matter, unless a majority of members of the board of directors or the audit committee, as the case may be, has a personal interest. If a majority of the board of directors has a personal interest, then shareholder approval is generally also required.

Disclosure of Personal Interests of a Controlling Shareholder

Under the Companies Law, the disclosure requirements that apply to an office holder also apply to a controlling shareholder of a public company. Extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, including a private placement in which a controlling shareholder has a personal interest, as well as transactions for the provision of services whether directly or indirectly by a controlling shareholder or his or her relative, or a company such controlling shareholder controls, and transactions concerning the terms of engagement and compensation of a controlling shareholder or a controlling shareholder's relative, whether as an office holder or an employee, require the approval of the audit committee or the compensation committee, as the case may be, the board of directors and a majority of the shares voted by the shareholders of the company participating and voting on the matter in a shareholders' meeting. In addition, the shareholder approval must fulfill one of the following requirements, or a Special Majority:

- at least a majority of the shares held by shareholders who are not controlling shareholders and have no personal interest in the transaction and are voting at the meeting must be voted in favor of approving the transaction, excluding abstentions; or
- the shares voted by shareholders who vote against the transaction represent no more than 2% of the voting rights in the company.

In addition, any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires the abovementioned approval every three years; however, such transactions not involving the receipt of services or compensation can be approved for a longer term, provided that the audit committee determines that such longer term is reasonable under the circumstances.

The Companies Law requires that every shareholder that participates, in person, by proxy or by voting instrument, in a vote regarding a transaction with a controlling shareholder, must indicate in advance or in the ballot whether or not that shareholder has a personal interest in the vote in question. Failure to indicate such personal interest will result in the invalidation of that shareholder's vote.

The term "controlling shareholder" is defined in the Companies Law as a shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder holds 50% or more of the voting rights in a company or has the right to appoint 50% or more of the directors of the company or its general manager. In the context of a transaction involving a shareholder of the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated.

Approval of the Compensation of Directors and Executive Officers

The compensation of, or an undertaking to indemnify, insure or exculpate, an office holder who is not a director requires the approval of the company's compensation committee, followed by the approval of the company's board of directors, and, if such compensation arrangement or an undertaking to indemnify, insure or exculpate is inconsistent with the company's stated compensation policy, or if the said office holder is the chief executive officer of the company (subject to a number of specific exceptions), then such arrangement is subject to the approval of our shareholders, subject to a Special Majority requirement.

Directors. Under the Companies Law, the compensation of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under the regulations promulgated under the Companies Law, the approval of the general meeting of our shareholders. If the compensation of our directors is inconsistent with our stated compensation policy, then, provided that those provisions that must be included in the compensation policy according to the Companies Law have been considered by the compensation committee and board of directors, shareholder approval by a Special Majority will be required.

Executive officers other than the chief executive officer. The Companies Law requires the approval of the compensation of a public company's executive officers (other than the chief executive officer) in the following order: (i) the compensation committee, (ii) the company's board of directors, and (iii) only if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders by a Special Majority. However, if the shareholders of the company do not approve a compensation arrangement with an executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision, including regarding to the shareholders of the Company objection.

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 Majority. However, if the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provides detailed reasons for their decision. In addition, the compensation committee may exempt the engagement terms

of a candidate to serve as the chief executive officer from shareholders' approval, if the compensation committee determines that the compensation arrangement is consistent with the company's stated compensation policy, that the chief executive officer did not have a prior business relationship with the company or a controlling shareholder of the company, and that subjecting the approval to a shareholder vote would impede the company's ability to attain the candidate to serve as the company's chief executive officer (and provide detailed reasons for the latter).

The approval of each of the compensation committee and the board of directors, with regard to the office holders and directors above, must be in accordance with the company's stated compensation policy; however, under special circumstances, the compensation committee and the board of directors may approve compensation terms of a chief executive officer that are inconsistent with the company's compensation 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 requirement.

Duties of Shareholders

Under the Companies Law, a shareholder has a duty to refrain from abusing his power in the company and to act in good faith and in an acceptable manner in exercising his rights and performing his obligations toward the company and other shareholders, including, among other things, in voting at general meetings of shareholders (and at shareholder class meetings) on the following matters:

- amendment of the articles of association;
- increase in the company's authorized share capital;
- merger; and
- the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from oppressing other shareholders. The remedies generally available upon a breach of contract will also apply to a breach of the above-mentioned duties, and in the event of oppression of other shareholders, additional remedies are available to the injured shareholder.

In addition, any controlling shareholder, any shareholder that knows that its vote can determine the outcome of a shareholder vote and any shareholder that, under a company's articles of association, has the power to appoint or prevent the appointment of an office holder, or has another power with respect to a company, is under a duty to act with fairness towards the company. The Companies Law does not describe the substance of this duty 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 to act with fairness, taking the shareholder's position in the company into account.

Equity Incentive Plan

2017 Stock Option Plan

We maintain one equity incentive plan – our Employee Stock Option Plan (2017), or the 2017 Plan. As of August 8, 2021, the number of options allotted is 1,420,359. In addition. The number of options that have vested and have not yet been exercised or expired are 777,524.

Our 2017 Plan was adopted by our board of directors in March 2017, and expires on March 2027. Our employees, directors, officer, consultants, advisors, suppliers and any other person or entity whose services are considered valuable to us are eligible to participate in this plan.

Our 2017 Plan is administered by our board of directors, regarding the granting of options and the terms of option grants, including exercise price, method of payment, vesting schedule, acceleration of vesting and the other matters necessary in the administration of these plan. Eligible Israeli employees, officers and directors, would qualify for provisions of Section 102(b)(2) of the Israeli Income Tax Ordinance (New Version), 5721–1961, or the Tax Ordinance. Pursuant to such Section 102(b)(2), qualifying options and shares issued upon exercise of such options are held in trust and registered in the name of a trustee selected by the board of directors. The trustee may not release these options or shares to the holders thereof for two years from the date of the registration of the options in the name of the trustee. Under Section 102, any tax payable by an employee from the grant or exercise of the options is deferred until the transfer of the options or ordinary shares by the trustee to the employee or upon the sale of the options or ordinary shares, and gains may qualify to be taxed as capital gains at a rate equal to 25%, subject to compliance with specified conditions. Our Israeli non-employee service providers and controlling shareholders may only be granted options under Section 3(9) of the Tax Ordinance, which does not provide for similar tax benefits. The 2017 Plan also permits the grant to Israeli grantees of options that do not qualify under Section 102(b)(2).

Upon termination of employment without Cause, as defined in the 2017 Plan, all unvested options will expire, and all vested options will generally be exercisable for three (3) months following termination, or such other period as determined by the plan administrator, subject to the terms of the 2017 Plan and the governing option agreement.

Upon termination of employment due to death, retirement or disability, all the vested options at the time of termination will be exercisable for twenty four (24) months following termination, or such other period as determined by the plan administrator, subject to the terms of the 2017 Plan and the governing option agreement.

BENEFICIAL OWNERSHIP OF PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our Ordinary Shares as of August 8, 2021 by:

- each person, or group of affiliated persons, known to us to be the beneficial owner of more than 5% of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting or investment power with respect to Ordinary Shares. Ordinary Shares issuable under share options or warrants that are exercisable within 60 days after August 8, 2021, are deemed outstanding for the purpose of computing the percentage ownership of the person holding the options or warrants but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

As of August 8, 2021, there was one holder of record of our Ordinary Shares. The number of record holders is not representative of the number of beneficial holders of our Ordinary Shares, as the shares of most our shareholders who hold Ordinary Shares that are traded on the TASE are recorded in the name of our Israeli share registrar, Bank REGISTRATION CO. OF UNITED MIZRAHI BANK LTD. As of August 8, 2021, we had no record holders of our Ordinary Shares in the United States.

We are not controlled by another corporation, by any foreign government or by any natural or legal persons except as set forth herein, and there are no arrangements known to us which would result in a change in control of our company at a subsequent date. Except as indicated in footnotes to this table, we believe that the shareholders named in this table have sole voting and investment power with respect to all shares shown to be beneficially owned by them, based on information provided to us by such shareholders. Unless otherwise noted below, each beneficial owner's address is: c/o IceCure Medical Ltd., 7 Ha'Eshel St., PO Box 3163, Caesarea, 3079504 Israel.

	No. of Shares Beneficially Owned	Percentage Owned
Holders of more than 5% of our voting securities:		
Epoch Partner Investments Limited[(1)]	17,633,383	55.41%
Clover Wolf Capital Limited Partnership[(2)]	2,373,711	7.46%
Clover Alpha L.P.[(3)]	306,286	0.96%
Alpha Capital Anstalt[(4)]	3,062,852	9.62%
Directors and senior management who are not 5% holders:		
Ron Mayron*	103,402	**
Eyal Shamir*	312,496	**
Ronen Tsimerman	174,886	**
Shay Levav	12,500	**
Tlalit Bussi Tel-Tzure	57,099	**
Naum Muchnik	93,603	**%
Doron Birger*	-	-
Sharon Levita*	-	-
Oded Tamir*	-	-
Yang Huang *	-	-
All directors and senior management as a group (10 persons)	**753,986**	**2.35%**

(1) Includes 17,633,383 Ordinary Shares. Mr. Li Haixiang has the voting and dispositive power over the shares held by Epoch Partner Investments Limited. The mailing address of Mr. Li Haixiang is 70/F Two International Finance Centere, Suite 7013, Central, Hong Kong.
(2) Includes 2,373,711 Ordinary Shares. Ms. Adi Wolf has the voting and dispositive power over the shares held by Clover Wolf Capital Limited Partnership. The mailing address of Ms. Adi Wolf is 24 Bodenheimer, Tel Aviv 6200838, Israel.
(3) Includes 306,286 Ordinary Shares. Ms. Adi Wolf has the voting and dispositive power over the shares held by Clover Alpha L.P. The mailing address of Ms. Adi Wolf is 24 Bodenheimer, Tel Aviv 6200838, Israel.
(4) Includes 3,062,852 Ordinary Shares. Mr. Konard Ackermann, Dr. Alexander Lins and Dr. Nicola Feuerstein have the voting and dispositive power over the shares held by Alpha Capital Anstalt. The mailing address of Mr. Konard Ackermann, Dr. Alexander Lins and Dr. Nicola Feuerstein is Lettstrasse 32, FL-9490 Vaduz, Liechtenstein.

* Indicates director of the Company.
** Less than 1%.

Changes in Percentage Ownership by Major Shareholders

On February 7, 2015, we entered into the Epoch SPA pursuant to which we received $5,485 thousand against issuance of 1,892,858 Ordinary Shares and 283,929 warrants. The warrants were not exercised and expired. Prior to the Epoch SPA, Epoch Partner Investments Limited, did not hold shares of our issued and outstanding share capital, and following the Epoch SPA, Epoch Partner Investments Limited held approximately 57.13% of our issued and outstanding share capital.

Since the Epoch SPA we performed multiple public and rights offerings. On June 20, 2017 and on August 25, 2017 the company received two favorable loans of $500 thousand each from our controlling shareholder, Epoch Partner Investments Limited, or the Epoch Loans, baring interest equal the interest of U.S. government bond for one year. Following a rights offering that was completed on February 14, 2018, and in which Epoch Partner Investments Limited exercised rights at an aggregate amount of $3,898 thousand, we repaid the Epoch Loans plus $8 thousand interest. Following this rights offering, Epoch Partner Investments Limited held 68.03% of our issued and outstanding share capital.

On May 15, 2018 we held a public offering in which Epoch Partner Investments Limited didn't participate. As a result, it's holding decreased to 62.58% of our issued and outstanding share capital.

On February 20, 2019 we held a public offering in which Epoch Partner Investments participated and invested $464 thousand against issuance of 250,000 shares. Following the offering, Epoch Partner Investments Limited held approximately 61.94% of our issued and outstanding share capital.

On October 7, 2019, we finalized a rights offering in which Epoch Partner Investments Limited exercised its rights for $2,008 thousand against issuance of 1,489,120 shares. Following that, Epoch Partner Investments Limited held approximately 64.43% of our issued and outstanding share capital.

On August 5, 2020 we held a public offering in which Epoch Partner Investments Limited participated and invested $2,592 thousand against issuance of 2,211,250 shares. Following the offering, Epoch Partner Investments Limited held approximately 58.83% of our issued and outstanding share capital.

On January 26, 2021, we entered into the January 2021 SPA. Prior to the January 2021 SPA, our controlling shareholder, Epoch Partner Investments Limited, held approximately 58.62% of our issued and outstanding share capital, and following the January 2021 SPA, Epoch Partner Investments Limited will hold approximately 55.41% of our issued and outstanding share capital.

Record Holders

As of March 15, 2021, there was one shareholder of record of our Ordinary Shares, which was located in Israel. The number of record holders is not representative of the number of beneficial holders of our Ordinary Shares, as the shares of all shareholders for a publicly traded company such as ours which is listed on the Tel Aviv Stock Exchange are recorded in the name of our Israeli share registrar, REGISTRATION CO. OF UNITED MIZRAHI BANK LTD.

The Company is not controlled by another corporation, by any foreign government or by any natural or legal persons except as set forth herein, and there are no arrangements known to the Company which would result in a change in control of the Company at a subsequent date.

RELATED PARTY TRANSACTIONS

Employment Agreements

We have entered into written employment agreements with each of our executive officers. All of these agreements 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. In addition, we have entered into agreements with each executive officer and director pursuant to which we have agreed to indemnify each of them up to a certain amount and to the extent that these liabilities are not covered by directors and officers insurance. Members of our senior management are eligible for bonuses each year. The bonuses are payable upon meeting objectives and targets that are set by our Chief Executive Officer and approved annually by our board of directors that also set the bonus targets for our Chief Executive Officer.

Options

Since our inception of the 2017 Plan, we have granted options to purchase our Ordinary Shares to our officers and certain of our directors. Such option agreements may contain acceleration provisions upon certain merger, acquisition, or change of control transactions, as defined in the 2017 Plan or in the stated compensation policy, as the case may be. We describe our option plans under "Management—Equity Incentive Plan." If the relationship between us and an executive officer or a director is terminated, except for Cause (as defined in the various option plan agreements and the 2017 Plan), options that are vested will generally remain exercisable for three months after such termination.

Private Placement of Ordinary Shares

On January 26, 2021 we entered into the January 2021 SPA, with certain investors, including our controlling shareholder, Epoch Partner Investments Limited, pursuant to which we issued an aggregate of 11,485,697 Ordinary Shares for an aggregate purchase price of $15 million, of which 5,742,848 Ordinary Shares were issued to Epoch Partner Investments Limited.

SELLING SHAREHOLDERS

The 11,485,697 Ordinary Shares being offered by the selling shareholders are those previously issued to the selling shareholders. For additional information regarding the issuances of the Ordinary Shares see "Prospectus Summary—Recent Private Placement". We are registering the Ordinary Shares in order to permit the selling shareholders to offer the Ordinary Shares for resale from time to time.

One of the Selling Shareholders, Epoch Partner Investments Limited, holds approximately 55.41% of the Company's voting rights and is a controlling shareholder of the Company (see "Beneficial Ownership of Principal Shareholders and Management"). Other than the relationships described herein, to our knowledge, the selling shareholders have not had any material relationship with us within the past three years.

Any selling shareholders that are affiliates of broker-dealers and any participating broker-dealers would be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions or discounts given to any such selling shareholders or broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act. To our knowledge, none of the selling shareholders listed below are broker-dealers or affiliates of broker-dealers.

The table below lists the selling shareholders and other information regarding the beneficial ownership of the Ordinary Shares by each of the selling shareholders. The second column lists the number of Ordinary Shares beneficially owned by each selling shareholder, based on its ownership of the Ordinary Shares, as of August 9, 2021.

The third column lists the Ordinary Shares being offered by this prospectus by the selling shareholders.

In accordance with the terms of a registration rights agreement with the holders of the Ordinary Shares, this prospectus generally covers the resale of at least a number of Ordinary Shares issued. Because the number of Ordinary Shares may be adjusted, the number of Ordinary Shares that will actually be issued may be more or less than the number of Ordinary Shares being offered by this prospectus. The fourth column assumes the sale of all of the Ordinary Shares offered by the selling shareholders pursuant to this prospectus.

Name of Selling Shareholders	Ordinary Shares Beneficially Owned Prior to Offering [1]	Percentage of Existing Equity Capital	Maximum Number of Ordinary Shares to be Sold Pursuant to this Prospectus	Ordinary Shares Owned Immediately After Sale of Maximum Number of Shares in this Offering	Percentage of Equity Capital Immediately After Sale of Maximum Number of Shares in this Offering
Epoch Partners Investments Limited[2]	17,633,383	55.41%	5,742,848	11,890,536	37.43%
Clover Wolf Capital limited partnership[3]	2,373,711	7.46%	2,373,711	0	-
Clover Alpha L.P.[4]	306,286	0.96%	306,286	0	-
Alpha Capital Anstalt[5]	3,062,852	9.62%	3,062,852	0	-
Total	**23,376,232**	**73.45%**	**11,485,697**	**11,890,536**	**-**

(1) Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Ordinary Shares subject to options or warrants currently exercisable, or exercisable within 60 days of August 8, 2021, are counted as outstanding for computing the percentage of the selling shareholder holding such options or warrants but are not counted as outstanding for computing the percentage of any other selling shareholder.
(2) Mr. Li Haixiang has the voting and dispositive power over the shares held by Epoch Partner Investments Limited.
(3) Ms. Adi Wolf has the voting and dispositive power over the shares held by Clover Wolf Capital Limited Partnership.
(4) Ms. Adi Wolf has the voting and dispositive power over the shares held by Clover Alpha L.P.
(5) Mr. Konard Ackermann, Dr. Alexander Lins and Dr. Nicola Feuerstein have the voting and dispositive power over the shares held by Alpha Capital Anstalt.
* Indicates director of the Company.

PLAN OF DISTRIBUTION

We are registering the Ordinary Shares previously issued, to permit the resale of these Ordinary Shares by the holders of these securities 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. Unlike an initial public offering, any resale by the selling shareholders of the Ordinary Shares is not being underwritten by any investment bank. 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 beneficially owned 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,

- 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 other than on these exchanges or systems or in the over-the-counter market;
- 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;
- sales pursuant to Rule 144 under the Securities Act;
- broker-dealers may agree with the selling securityholders 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.

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).

The selling shareholders may pledge or grant a security interest in some or all of the 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 stockholders 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. The selling shareholders and any broker-dealer participating in the distribution of the 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 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 reallowed 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, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares by the selling shareholders and any other participating person. 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 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, SEC filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, that 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 shareholders specifically for use in this prospectus, in accordance with the related registration rights agreement, 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.

DESCRIPTION OF SHARE CAPITAL AND GOVERNING DOCUMENTS

General

As of August 9, 2021, our authorized share capital consisted of 2,500,000,000 Ordinary Shares, with no par value, of which 31,821,865 shares were issued and outstanding as of such date. All of our outstanding Ordinary Shares have been validly issued, fully paid and non-assessable. Our Ordinary Shares are not redeemable and are not subject to any preemptive right.

Our registration number with the Israeli Registrar of Companies is 513787804.

Ordinary Shares

In the last three years, we have issued an aggregate of 19,127,651 Ordinary Shares in several public offerings, rights offerings and exercise of employees' stock options for aggregate net proceeds of $24,232 thousand (in each case based on the exchange rate of the NIS and U.S. dollar applicable on the day of the closing of the respective transaction) thousand.

Options

In the last three years, we have granted options to purchase an aggregate of 1,125,409 Ordinary Shares to directors, officers and employees with exercise prices ranging from NIS 4.84 to NIS 17.92 (approximately $1.44 to $5.52) per share A total of 143,012 options were exercised in the last three years.

Our Articles of Association

Purposes and Objects of the Company

Our purpose is set forth in Article 4 of our articles of association and includes every lawful purpose.

The Powers of the Directors

Our board of directors shall direct our policy and shall supervise the performance of our Chief Executive Officer and his actions. Our board of directors may exercise all powers that are not required under the Companies Law or under our articles of association to be exercised or taken by our shareholders.

Rights Attached to Shares

Our Ordinary Shares shall confer upon the holders thereof:

- equal right to attend and to vote at all of our general meetings, whether regular or special, with each Ordinary Share entitling the holder thereof, which attend the meeting and participate at the voting, either in person or by a proxy or by a written ballot, to one vote;
- equal right to participate in distribution of dividends, if any, whether payable in cash or in bonus shares, in distribution of assets or in any other distribution, on a per share pro rata basis; and
- equal right to participate, upon our dissolution, in the distribution of our assets legally available for distribution, on a per share pro rata basis.

Election of Directors

Pursuant to our articles of association, our directors are elected at an annual general meeting and/or a special meeting of our shareholders and serve on the board of directors until the next annual general meeting (except for external directors) or until they resign or until they cease to act as board members pursuant to the provisions of our articles of association or any applicable law, upon the earlier. Pursuant to the Companies Law, other than the external directors, for whom special election requirements apply under the Companies Law, the vote required to appoint a director is a simple majority vote of holders of our voting shares, participating and voting at the relevant meeting. In addition, our articles of association allow our board of directors to appoint directors to fill vacancies and/or as an addition to the board of directors (subject to the maximum number of directors) to serve until the next annual general meeting. External directors are elected for an initial term of three years, may be elected for additional terms of three years each under certain circumstances, and may be removed from office pursuant to the terms of the Companies Law. (see "Management—Board Practices—External Directors").

Annual and Special Meetings

Under the Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year, at such time and place which shall be determined by our Board of Directors, that must be 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 as special general meetings. Our board of directors may call special meetings whenever it sees fit and upon the request of: (a) any two of our directors or such number of directors equal to one quarter of the directors then at office; and/or (b) one or more shareholders holding, in the aggregate, (i) 5% or more of our outstanding issued shares and 1% of our outstanding voting power or (ii) 5% or more of our outstanding voting power.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings are the shareholders of record on a date to be decided by the board of directors, which may be between four and forty days prior to the date of the meeting, as the case may be. Resolutions regarding the following matters must be passed at a general meeting of our shareholders:

- amendments to our articles of association;
- the exercise of our board of directors' powers by a general meeting if our board of directors is unable to exercise its powers and the exercise of any of its powers is required for our proper management;
- appointment or termination of our auditors;

- appointment of directors, including external directors;
- approval of acts and transactions requiring general meeting approval pursuant to the provisions of the Companies Law (mainly certain related party transactions) and any other applicable law;
- increases or reductions of our authorized share capital;
- a merger (as such term is defined in the Companies Law); and
- a dissolution of the Company by the court or by its shareholders (as such term is defined in the Companies Law).

Notices

The Companies Law and our articles of association require that a notice of any annual or special shareholders meeting be provided at least 14 or 21 days prior to the meeting, as the case may be, and if the agenda of the meeting includes the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, approval of the company's general manager to serve as the chairman of the board of directors or an approval of a merger, notice must be provided at least 35 days prior to the meeting.

Quorum

As permitted under the Companies Law, the quorum required for our general meetings consists of at least two shareholders present in person, by proxy, written ballot or voting by means of electronic voting system, who hold or represent between them at least 25% of the total outstanding voting rights. If half an hour has elapsed from the date set for the meeting and the quorum has not been found valid, the meeting will be postponed to the business day after the day of the meeting, to the same time and to the same place or to another day, time and place as determined by the board of directors. The company will announce through the immediate report of the postponement of the meeting and the date of the postponed meeting. If no lawful quorum is present at the adjourned meeting as aforesaid, at least one shareholder shall be present in person or by proxy, a lawful quorum, unless the meeting was convened at the request of shareholders. If a special general meeting was summoned following the request of a shareholder, and within half an hour a legal quorum shall not have been formed, the meeting shall be canceled.

Adoption of Resolutions

Our articles of association provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required under the Companies Law or our articles of association. A shareholder may vote in a general meeting in person, by proxy, by a written ballot.

Changing Rights Attached to Shares

Unless otherwise provided by the terms of the shares and subject to any applicable law, any modification of rights attached to any class of shares must be adopted by the holders of a majority of the shares of that class present a general meeting of the affected class or by a written consent of all the shareholders of the affected class.

The enlargement of an existing class of shares or the issuance of additional shares thereof, shall not be deemed to modify the rights attached to the previously issued shares of such class or of any other class, unless otherwise provided by the terms of the shares.

Limitations on the Right to Own Securities in Our Company

There are no limitations on the right to own our securities.

Provisions Restricting Change in Control of Our Company

There are no specific provisions of our articles of association that would have an effect of delaying, deferring or preventing a change in control of the Company or that would operate only with respect to a merger, acquisition or corporate restructuring involving us (or any of our subsidiaries). However, as described below, certain provisions of the Companies Law may have such effect.

The Companies Law includes provisions that allow a merger transaction and requires that each company that is a party to the merger have the transaction approved by its board of directors and, unless certain requirements described under the Companies Law are met, a vote of the majority of shareholders, and, in the case of the target company, also a majority vote of each class of its shares. For purposes of the shareholder vote of each party, unless a court rules otherwise, the merger will not be deemed approved if shares representing a majority of the voting power present at the shareholders meeting and which are not held by the other party to the merger (or by any person or group of persons acting in concert who holds 25% or more of the voting power or the right to appoint 25% or more of the directors of the other party) vote against the merger. If, however, the merger involves a merger with a company's own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger will be subject to the same Special Majority approval that governs all extraordinary transactions with controlling shareholders instead. 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 any of the parties to the merger, and may further give instructions to secure the rights of creditors. If the transaction would have been approved by the shareholders of a merging company but did not receive 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 petition of holders of at least 25% of the voting rights of a company. For such petition to be granted, the court must find that the merger is fair and reasonable, taking into account the value of the parties to the merger and the consideration offered to the shareholders. In addition, a merger may not be completed unless at least (1) 50 days have passed from the time that the requisite proposals for approval of the merger were filed with the Israeli Registrar of Companies by each merging company and (2) 30 days have passed since the merger was approved by the shareholders of each merging company.

The Companies Law also provides that, subject to certain exceptions, an acquisition of shares in an Israeli public company must be made by means of a "special" tender offer if as a result of the acquisition (1) the purchaser would become a holder of 25% or more of the voting rights in the company, unless there is already another holder of at least 25% or more of the voting rights in the company or (2) the purchaser would become a holder of 45% or more of the voting rights in the company, unless there is already a holder of more than 45% of the voting rights in the company. These requirements do not apply if, in general, the acquisition (1) was made in a private placement that received shareholders' approval, subject to certain conditions, (2) was from a holder of 25% or more of the voting rights in the company which resulted in the acquirer becoming a holder of 25% or more of the voting rights in the company, or (3) was from a holder of more than 45% of the voting rights in the company which resulted in the acquirer becoming a holder of more than 45% of the voting rights in the company. A "special" tender offer must be extended to all shareholders. In general, a "special" tender offer may be consummated only if (1) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (2) the offer is accepted by a majority

of the offerees who notified the company of their position in connection with such offer (excluding the offeror, controlling shareholders, holders of 25% or more of the voting rights in the company or anyone on their behalf, or any person having a personal interest in the acceptance of the tender offer). If 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 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.

If, as a result of an acquisition of shares, the acquirer will hold more than 90% of an Israeli company's outstanding shares or of certain class of shares, the acquisition must be made by means of a tender offer for all of the outstanding shares, or for all of the outstanding shares of such class, as applicable. In general, if less than 5% of the outstanding shares, or of applicable class, are not tendered in the tender offer and more than half of the offerees who have no personal interest in the offer tendered their shares, all the shares that the acquirer offered to purchase will be transferred to it by operation of law. However, a tender offer will also be accepted if the shareholders who do not accept the offer hold less than 2% of the issued and outstanding share capital of the company or of the applicable class of shares. Any shareholders that was an offeree in such tender offer, whether such shareholder accepted the tender offer or not, may request, by petition to an Israeli court, (i) appraisal rights in connection with a full tender offer, and (ii) that the fair value should be paid as determined by the court, for a period of six months following the acceptance thereof. However, the acquirer is entitled to stipulate, under certain conditions, that tendering shareholders will forfeit such appraisal rights.

Lastly, Israeli tax law treats some acquisitions, such as stock-for-stock exchanges between an Israeli company and a foreign company, less favorably than U.S. tax laws. For example, Israeli tax law may, under certain circumstances, subject a shareholder who exchanges his Ordinary Shares for shares in another corporation to taxation prior to the sale of the shares received in such stock-for-stock swap.

Exclusive Forum

Our articles of association 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. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions, and accordingly, both state and federal courts have jurisdiction to entertain such claims. While the federal forum provision in our articles of association does not restrict the ability of our shareholders to bring claims under the Securities Act, we recognize that it may limit shareholders' ability to bring a claim in the judicial forum that they find favorable and may increase certain litigation costs, which may discourage the filing of claims under the Securities Act against the Company, its directors and officers. However, the enforceability of similar forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) 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 our articles of association. 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 provision of our articles of association 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.

Changes in Our Capital

The general meeting may, by a simple majority vote of the shareholders attending the general meeting:

- increase our registered share capital by the creation of new shares from the existing class or a new class, as determined by the general meeting;
- cancel any registered share capital which have not been taken or agreed to be taken by any person;
- consolidate and divide all or any of our share capital into shares of larger nominal value than our existing shares;
- subdivide our existing shares or any of them, our share capital or any of it, into shares of smaller nominal value than is fixed; and
- reduce our share capital and any fund reserved for capital redemption in any manner, and with and subject to any incident authorized, and consent required, by the Companies Law.

TAXATION

The following description is not intended to constitute a complete analysis of all tax consequences relating to the ownership or disposition of our Ordinary Shares. 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, including Israeli, or other taxing jurisdiction.

ISRAELI TAX CONSIDERATIONS AND GOVERNMENT PROGRAMS

The following is a description of the material Israeli income tax consequences of the ownership of our Ordinary Shares. The following also contains a description of material relevant provisions of the current Israeli income tax structure applicable to companies in Israel, with reference to its effect on us. To the extent that the discussion is based on new tax legislation which has not been subject to judicial or administrative interpretation, there can be no assurance that the tax authorities will accept the views expressed in the discussion in question. The discussion is not intended, and should not be taken, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

The following description is not intended to constitute a complete analysis of all tax consequences relating to the ownership or disposition of our Ordinary Shares. Shareholders should consult their own tax advisors concerning the tax consequences of their particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

General Corporate Tax Structure in Israel

Israeli companies are generally subject to corporate tax. As of January 2018 -, the corporate tax rate is 23%. However, the effective tax rate payable by a company that derives income from a "Preferred Enterprise" (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to the prevailing corporate tax rate.

Capital gains derived by an Israeli resident company are subject to tax at the prevailing corporate tax rate. Under Israeli tax legislation, a corporation will be considered as an "Israeli resident company" if it meets one of the following: (i) it was incorporated in Israel; or (ii) the control and management of its business are exercised in Israel.

Law for the Encouragement of Industry (Taxes), -1969

The Encouragement of Industry (Taxes) Law, 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for "Industrial Companies."

The Industry Encouragement Law defines an "Industrial Company" as an Israeli resident-company, of which 90% or more of its income in a given tax year, other than income from defense loans, is derived from an "Industrial Enterprise" located in Israel owned by it. An "Industrial Enterprise" is defined as an enterprise whose principal activity in a given tax year is industrial production.

The following corporate tax benefits, among others, are available to Industrial Companies:

- amortization of the cost of purchased a patent, rights to use a patent, and know-how, which are used for the development or advancement of the company, 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 related Israeli Industrial Companies; and
- expenses related to a public offering are deductible in equal amounts over three years.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority.

Tax Benefits and Grants for Research and Development

General. The IIA, an independent publicly funded agency, was created to provide a variety of practical tools and funding platforms aimed at effectively addressing the dynamic and changing needs of the local and international innovation ecosystem. The IIA acts under the Law for the Encouragement of Research, Development and Technological Innovation in the Industry 1984 and the related IIA rules and regulations, or the Innovation Law. Companies that receive funding from the IIA are subject to certain liabilities of the Innovation Law, mainly pertaining to the know-how that was developed with the support of the IIA within the framework of an R&D funding program, and/or its derivatives (herein: "IIA-supported know-how"), and/or to the products derived from the technology that was developed with the support of the IIA within the framework of an R&D funding program, and/or its derivatives, or IIA-supported products.

Ownership Structure. Any change of ownership must be reported to the IIA prior to the execution of the acquisition. A change in the company's ownership, in which a foreign entity becomes a stakeholder in the company, requires the IIA approval and the new shareholder signature on an undertaking letter acknowledging the company's liabilities to the Innovation Law.

Royalty payment. Companies supported by the IIA are required to pay royalties on income yielded from the IIA-supported products, until full refund of the grant, which is linked to the US dollar and carries interest (the annual LIBOR interest for annual dollar deposits, as published on the first day of trading of each year, or in an alternate publication according to the Bank of Israel's announcement). Until July 2017, the rate of the royalties refund was 3% of related income in the first three years, and 3.5% from the 4th year, onward. As of July 2017, the rate of the royalties refund for companies with total revenues of under $70M at the year preceding the application date, has changed to 3%.

Manufacturing location. Until 2003 manufacturing was considered to be done completely in Israel, and after this date, the manufacturing location (including assembly) is determined based on the manufacturing declaration located in the grant application submitted for supporting R&D, or the Manufacturing Declaration. The transfer of manufacturing activity outside Israel may be subject to the prior approval of the IIA and may result in an increased royalty payment's rate and an increased total royalty payment, which will be calculated based on the deviation from the company's Manufacturing Declaration. Cumulative deviation of under 10% requires notification of the IIA, while 10% or more requires pre-approval.

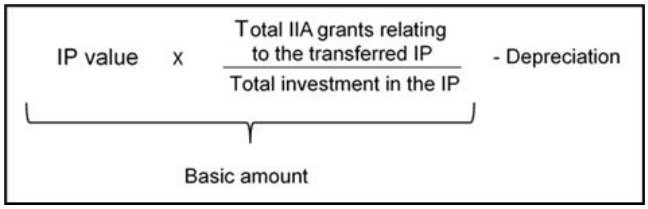
The rate of royalty payment due to overseas manufacturing is increased as follows: If the foreign company will be given the rights to only manufacture the IIA-supported products, an additional 1% will be incurred (e.g., instead of paying 3%, the company will pay 4%). However, if the foreign company will be given the rights to both manufacture and distribute the IIA-supported products, the royalties rate may be higher. The increased royalty rate will apply for revenues associated with manufacturing outside of Israel only. In general, royalties will be paid from the final sale price to the client and not from the inter-company transfer price. The company will have to keep paying royalties until it reaches the new royalty liability ceiling.

The increased repayment is calculated according to the percentage of the manufacturing activities that are carried out outside of Israel out of the total cumulative manufacturing activities both in Israel and abroad, as described in the following table:

Percentage of manufacturing activities performed outside of Israel, cumulatively	**The increased payment to the Israel Innovation Authority**
Up to 50%	120% of the received grants + interest
50% – 90%	150% of the received grants + interest
90% or more	300% of the received grants + interest

Know-how location. To the extent a company wishes to transfer its IIA-supported know-how outside of Israel, it must be preapproved by the IIA and the company may be required to pay an additional payment to the IIA, or the Fee, as described below. This Fee (which also relates to programs that are absolved of royalty payment) is calculated according to the ratio between the total grants received from the IIA and the total financial R&D expenses invested in the related know-how (including the received grants), multiplied by the transaction price of the IIA-supported know-how, or the Basic Amount.

The Basic Amount minus the received grants is depreciated at a rate of 1/7 per annum, as of the fourth year from the end of the last supported file in each program. As a result, when transferring IIA-supported know-how after 10 years or more, the maximum payment to the IIA will be only the total sum of the received grants plus interest, minus paid royalties.



However, the aforementioned formula has a minimum and a maximum limits. The minimum amount of the payment is the total sum of grants received plus interest.

The maximum amount shall be no higher than 6 times the total sum of grants received plus interest. In the case that the IIA-supported company retains its R&D center in Israel for at least 3 consecutive years, following the year of transferring the IIA-supported know-how outside of Israel, while maintaining at least 75% of its R&D employment in Israel – the payment will be limited to 3 times the total sum of grants received plus interest.

Transferring IIA-supported know-how outside of Israel according to the Innovation Law (including paying the Fee where necessary) releases the IIA-supported company from all liabilities to the IIA.

Transfer of know-how to another Israeli entity is subject to signature of the recipient Israeli entity on a formal IIA issued undertaking document, to comply with the provisions of the Innovation Law, including the restrictions on the transfer of know-how and the obligation to pay royalties.

According to the above, these liabilities should be taken into account when we consider to outsource manufacturing, engage in change of control transactions or otherwise transfer our know-how outside of Israel, and may require us to obtain the pre-approval of the IIA for certain actions and transactions and pay additional payments to the IIA. In particular, any change of control and any change of ownership of our Ordinary Shares that would make a non-Israeli citizen or resident an "interested party," as defined in the Innovation Law, requires a prior written notice to the IIA in addition to any payment that may be required of us for transfer of manufacturing or know-how outside of Israel. If we fail to comply with the Innovation Law, we may be subject to criminal charges.

Tax Benefits 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 Tax Ordinance. Expenditures not so approved are deductible in equal amounts over three years.

From time to time, we may apply the IIA for approval to allow a tax deduction for all research and development expenses during the year incurred. There can be no assurance that such application will be accepted.

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 might be exempt from Israeli tax upon meeting the following terms: (1) the shares sold were purchased after January 1, 2009; (2) the capital gain is not derived from the permanent establishment of the foreign resident in Israel; (3) the purchase of shares was not from a relative; (4) and the shares are not traded on the stock exchange.

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, or 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 U.S.-Israel Tax Treaty, or 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 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.

Taxation of Non-Israeli Shareholders on Receipt of Dividends. Non-Israeli residents 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 relief is provided in a treaty between Israel and the shareholder's country of residence. 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%. 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 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. However, a distribution of dividends to non-Israeli residents is subject to withholding tax at source at a rate of 20% if the dividend is distributed from income attributed to a Preferred Enterprise, unless a reduced tax rate is provided under 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, 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. Notwithstanding the foregoing, dividends distributed from income attributed to a "Preferred Enterprise" are not entitled to such reduction under the tax treaty but are subject to a withholding tax rate of 15% for a shareholder that is a U.S. corporation, provided that the condition related to our gross income for the previous year (as set forth in the previous sentence) is met. If the dividend is attributable partly to income derived from a Preferred 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.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

THE FOLLOWING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSIDERED TO BE, LEGAL OR TAX ADVICE. EACH U.S. HOLDER SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISOR AS TO THE PARTICULAR

U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND SALE OF ORDINARY SHARES, INCLUDING THE EFFECTS OF APPLICABLE STATE, LOCAL, FOREIGN OR OTHER TAX LAWS AND POSSIBLE CHANGES IN THE TAX LAWS.

Subject to the limitations described in the next paragraph, the following discussion summarizes the material U.S. federal income tax consequences to a "U.S. Holder" arising from the purchase, ownership and sale of the Ordinary Shares. For this purpose, a "U.S. Holder" is a holder of Ordinary Shares that is: (1) an individual citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence residency test under U.S. federal income tax laws; (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) or a partnership (other than a partnership that is not treated as a U.S. person under any applicable U.S. Treasury regulations) created or organized under the laws of the United States or the District of Columbia or any political subdivision thereof; (3) an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of source; (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust; or (5) a trust that has a valid election in effect to be treated as a U.S. person to the extent provided in U.S. Treasury regulations.

This summary is for general information purposes only and does not purport to be a comprehensive description of all of the U.S. federal income tax considerations that may be relevant to a decision to purchase our Ordinary Shares. This summary generally considers only U.S. Holders that will own our Ordinary Shares as capital assets. Except to the limited extent discussed below, this summary does not consider the U.S. federal tax consequences to a person that is not a U.S. Holder, nor does it describe the rules applicable to determine a taxpayer's status as a U.S. Holder. This summary is based on the provisions of the Internal Revenues Code of 1986, as amended, or the Code, final, temporary and proposed U.S. Treasury regulations promulgated thereunder, administrative and judicial interpretations thereof, (including with respect to the Tax Cuts and Jobs Act of 2017), and the U.S.-Israel Income Tax Treaty, all as in effect as of the date hereof and all of which are subject to change, possibly on a retroactive basis, and all of which are open to differing interpretations. We will not seek a ruling from the IRS with regard to the U.S. federal income tax treatment of an investment in our Ordinary Shares by U.S. Holders and, therefore, can provide no assurances that the IRS will agree with the conclusions set forth below.

This discussion does not address all of the aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder based on such holder's particular circumstances and in particular does not discuss any estate, gift, generation-skipping, transfer, state, local, excise or foreign tax considerations. In addition, this discussion does not address the U.S. federal income tax treatment of a U.S. Holder who is: (1) a bank, life insurance company, regulated investment company, or other financial institution or "financial services entity;" (2) a broker or dealer in securities or foreign currency; (3) a person who acquired our Ordinary Shares in connection with employment or other performance of services; (4) a U.S. Holder that is subject to the U.S. alternative minimum tax; (5) a U.S. Holder that holds our Ordinary Shares as a hedge or as part of a hedging, straddle, conversion or constructive sale transaction or other risk-reduction transaction for U.S. federal income tax purposes; (6) a tax-exempt entity; (7) real estate investment trusts or grantor trusts; (8) a U.S. Holder that expatriates out of the United States or a former long-term resident of the United States; or (9) a person having a functional currency other than the U.S. dollar. This discussion does not address the U.S. federal income tax treatment of a U.S. Holder that owns, directly or constructively, at any time, Ordinary Shares representing 10% or more of our voting power. Additionally, the U.S. federal income tax treatment of partnerships (or other pass-through entities) or persons who hold Ordinary Shares through a partnership or other pass-through entity are not addressed.

Each prospective investor is advised to consult his or her own tax adviser for the specific tax consequences to that investor of purchasing, holding or disposing of our Ordinary Shares, including the effects of applicable state, local, foreign or other tax laws and possible changes in the tax laws.

Taxation of Dividends Paid on Ordinary Shares

We do not intend to pay dividends in the foreseeable future. In the event that we do pay dividends, and subject to the discussion under the heading "Passive Foreign Investment Companies" below and the discussion of "qualified dividend income" below, a U.S. Holder, other than certain U.S. Holder's that are U.S. corporations, will be required to include in gross income as ordinary income the amount of any distribution paid on Ordinary Shares (including the amount of any Israeli tax withheld on the date of the distribution), to the extent that such distribution does not exceed our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. The amount of a distribution which exceeds our earnings and profits will be treated first as a non-taxable return of capital, reducing the U.S. Holder's tax basis for the Ordinary Shares to the extent thereof, and then capital gain. We do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles and, therefore, U.S. Holders should expect that the entire amount of any distribution generally will be reported as dividend income.

In general, preferential tax rates for "qualified dividend income" and long-term capital gains are applicable for U.S. Holders that are individuals, estates or trusts. For this purpose, "qualified dividend income" means, inter alia, dividends received from a "qualified foreign corporation." A "qualified foreign corporation" is a corporation that is entitled to the benefits of a comprehensive tax treaty with the United States which includes an exchange of information program. The IRS has stated that the U.S.-Israel Tax Treaty satisfies this requirement and we believe we are eligible for the benefits of that treaty.

In addition, our dividends will be qualified dividend income if our Ordinary Shares are readily tradable on the Nasdaq Capital Market or another established securities market in the United States. Dividends will not qualify for the preferential rate if we are treated, in the year the dividend is paid or in the prior year, as a PFIC, as described below under "Passive Foreign Investment Companies." A U.S. Holder will not be entitled to the preferential rate: (1) if the U.S. Holder has not held our Ordinary Shares for at least 61 days of the 121 day period beginning on the date which is 60 days before the ex-dividend date, or (2) to the extent the U.S. Holder is under an obligation to make related payments on substantially similar property. Any days during which the U.S. Holder has diminished its risk of loss on our Ordinary Shares are not counted towards meeting the 61-day holding period. Finally, U.S. Holders who elect to treat the dividend income as "investment income" pursuant to Code section 163(d)(4) will not be eligible for the preferential rate of taxation.

The amount of a distribution with respect to our Ordinary Shares will be measured by the amount of the fair market value of any property distributed, and for U.S. federal income tax purposes, the amount of any Israeli taxes withheld therefrom. Cash distributions paid by us in NIS will be included in the income of U.S. Holders at a U.S. dollar amount based upon the spot rate of exchange in effect on the date the dividend is includible in the income of the U.S. Holder, and U.S. Holders will have a tax basis in such NIS for U.S. federal income tax purposes equal to such U.S. dollar value. If the U.S. Holder subsequently converts the NIS into U.S. dollars or otherwise disposes of it, any subsequent gain or loss in respect of such NIS arising from exchange rate fluctuations will be U.S. source ordinary exchange gain or loss.

Taxation of the Disposition of Ordinary Shares

Except as provided under the PFIC rules described below under "Passive Foreign Investment Companies," upon the sale, exchange or other disposition of our Ordinary Shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between such U.S. Holder's tax basis for the Ordinary Shares in U.S. dollars and the amount realized on the disposition in U.S. dollar (or its U.S. dollar equivalent determined by reference to the spot rate of exchange on the date of disposition, if the amount realized is denominated in a foreign currency). The gain or loss realized on the sale, exchange or other disposition of Ordinary Shares will be long-term capital gain or loss if the U.S. Holder has a holding period of more than one year at the time of the disposition. Individuals who recognize long-term capital gains may be taxed on such gains at reduced rates of tax. The deduction of capital losses is subject to various limitations.

Passive Foreign Investment Companies

Special U.S. federal income tax laws apply to U.S. taxpayers who own shares of a corporation that is a PFIC. We will be treated as a PFIC for U.S. federal income tax purposes for any taxable year that either:

- 75% or more of our gross income (including our pro rata share of gross income for any company, in which we are considered to own 25% or more of the shares by value), in a taxable year is passive; or

- At least 50% of our assets, averaged over the year and generally determined based upon fair market value (including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value) are held for the production of, or produce, passive income.

For this purpose, passive income generally consists of dividends, interest, rents, royalties, annuities and income from certain commodities transactions and from notional principal contracts. Cash is treated as generating passive income.

The tests for determining PFIC status are applied annually, and it is difficult to make accurate projections of future income and assets which are relevant to this determination. In addition, our PFIC status may depend in part on the market value of our Ordinary Shares. Accordingly, there can be no assurance that we currently are not or will not become a PFIC.

If we currently are or become a PFIC, each U.S. Holder who has not elected to mark the shares to market (as discussed below), would, upon receipt of certain distributions by us and upon disposition of our Ordinary Shares at a gain: (1) have such distribution or gain allocated ratably over the U.S. Holder's holding period for the Ordinary Shares, as the case may be; (2) the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC would be taxed as ordinary income; and (3) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. In addition, when shares of a PFIC are acquired by reason of death from a decedent that was a U.S. Holder, the tax basis of such shares would not receive a step-up to fair market value as of the date of the decedent's death, but instead would be equal to the decedent's basis if lower, unless all gain were recognized by the decedent. Indirect investments in a PFIC may also be subject to these special U.S. federal income tax rules.

The PFIC rules described above would not apply to a U.S. Holder who makes a QEF election for all taxable years that such U.S. Holder has held the Ordinary Shares while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. Holder who has made such a QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. In general, a QEF election is effective only if we make available certain required information. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. We do not intend to notify U.S. Holders if we believe we will be treated as a PFIC for any tax year. In addition, we do not intend to furnish U.S. Holders annually with information needed in order to complete IRS Form 8621 and to make and maintain a valid QEF election for any year in which we or any of our subsidiaries are a PFIC. Therefore, the QEF election will not be available with respect to our Ordinary Shares.

In addition, the PFIC rules described above would not apply if we were a PFIC and a U.S. Holder made a mark-to-market election. A U.S. Holder of our Ordinary Shares which are regularly traded on a qualifying exchange, including the Nasdaq Capital Market, can elect to mark the Ordinary Shares to market annually, recognizing as ordinary income or loss each year an amount equal to the difference as of the close of the taxable year between the fair market value of the Ordinary Shares and the U.S. Holder's adjusted tax basis in the Ordinary Shares. Losses are allowed only to the extent of net mark-to-market gain previously included income by the U.S. Holder under the election for prior taxable years.

U.S. Holders who hold our Ordinary Shares during a period when we are a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC. U.S. Holders are strongly urged to consult their tax advisors about the PFIC rules.

Tax on Net Investment Income

U.S. Holders who are individuals, estates or trusts will generally be required to pay a 3.8% Medicare tax on their net investment income (including dividends on and gains from the sale or other disposition of our Ordinary Shares), or in the case of estates and trusts on their net investment income that is not distributed. In each case, the 3.8% Medicare tax applies only to the extent the U.S. Holder's total adjusted income exceeds applicable thresholds.

Tax Consequences for Non-U.S. Holders of Ordinary Shares

Except as provided below, an individual, corporation, estate or trust that is not a U.S. Holder referred to below as a non-U.S. Holder, generally will not be subject to U.S. federal income or withholding tax on the payment of dividends on, and the proceeds from the disposition of, our Ordinary Shares.

A non-U.S. Holder may be subject to U.S. federal income tax on a dividend paid on our Ordinary Shares or gain from the disposition of our Ordinary Shares if: (1) such item is effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States and, if required by an applicable income tax treaty is attributable to a permanent establishment or fixed place of business in the United States; or (2) in the case of a disposition of our Ordinary Shares, the individual non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and other specified conditions are met.

In general, non-U.S. Holders will not be subject to backup withholding with respect to the payment of dividends on our Ordinary Shares if payment is made through a paying agent, or office of a foreign broker outside the United States. However, if payment is made in the United States or by a U.S. related person, non-U.S. Holders may be subject to backup withholding, unless the non-U.S. Holder provides an applicable IRS Form W-8 (or a substantially similar form) certifying its foreign status, or otherwise establishes an exemption.

The amount of any backup withholding from a payment to a non-U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Information Reporting and Withholding

A U.S. Holder may be subject to backup withholding at a rate of 24% with respect to cash dividends and proceeds from a disposition of Ordinary Shares. In general, backup withholding will apply only if a U.S. Holder fails to comply with specified identification procedures. Backup withholding will not apply with respect to payments made to designated exempt recipients, such as corporations and tax-exempt organizations. Backup withholding is not an additional tax and may be claimed as a credit against the U.S. federal income tax liability of a U.S. Holder, provided that the required information is timely furnished to the IRS.

Pursuant to recently enacted legislation, a U.S. Holder with interests in "specified foreign financial assets" (including, among other assets, our Ordinary Shares, unless such Ordinary Shares are held on such U.S. Holder's behalf through a financial institution) may be required to file an information report with the IRS if the aggregate value of all such assets exceeds $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year (or such higher dollar amount as may be prescribed by applicable IRS guidance); and may be required to file a Report of Foreign Bank and Financial Accounts, or FBAR, if the aggregate value of the foreign financial accounts exceeds $10,000 at any time during the calendar year. You should consult your own tax advisor as to the possible obligation to file such information report.

LEGAL MATTERS

Certain legal matters concerning this offering will be passed upon for us by Sullivan & Worcester LLP, New York, New York. Certain legal matters with respect to the legality of the issuance of the securities offered by this prospectus and other legal matters concerning this offering relating to Israeli law will be passed upon for us by Sullivan & Worcester Tel-Aviv (Har-Even & Co.), Tel Aviv, Israel.

EXPERTS

The financial statements as of December 31, 2020 and 2019 and for the years then ended included in this prospectus have been so included in reliance upon the report of Brightman Almagor Zohar & Co., a firm in the Deloitte Global Network, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

EXPENSES

The following are the estimated expenses of the issuance and distribution of the securities being registered under the registration statement of which this prospectus forms a part, all of which will be paid by us. With the exception of the SEC registration fee, all amounts are estimates and may change:

SEC registration fee	$	13,132.38
Printer fees and expenses	$	8,000
Legal fees and expenses	$	350,000
Accounting fees and expenses	$	145,000
Miscellaneous	$	20,000
Total	$	536,132

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 the registration statement of which this prospectus forms a part, a substantial majority of whom reside outside of the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and a substantial of our directors and officers are located outside of 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 been informed by our legal counsel in Israel, by Sullivan & Worcester Tel-Aviv (Har-Even & Co.), that it may be difficult to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because Israel is not 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.

Subject to specified 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 among other things:

- the judgment is obtained after due process before a court of competent jurisdiction, according to the laws of the state in which the judgment is given and the rules of private international law currently prevailing in Israel;
- the judgment is final and is not subject to any right of appeal;
- the prevailing law of the foreign state in which the judgment was rendered allows for the enforcement of judgments of Israeli courts;
- adequate service of process has been effected and the defendant has had a reasonable opportunity to be heard and to present his or her evidence;
- the liabilities under the judgment are enforceable according to the laws of the State of Israel and the judgment and the enforcement of the civil liabilities set forth in the judgment is not contrary to the law or public policy in Israel nor likely to impair the security or sovereignty of Israel;
- the judgment was not obtained by fraud and does not conflict with any other valid judgments in the same matter between the same parties;
- an action between the same parties in the same matter is not pending in any Israeli court at the time the lawsuit is instituted in the foreign court; and
- the judgment is enforceable according to the laws of Israel and according to the law of the foreign state in which the relief was granted.

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.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act relating to this registration of the Ordinary Shares to be sold by the selling shareholders, or the Registration Statement. This prospectus does not contain all of the information contained in the Registration Statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the Registration Statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the Registration Statement, you may read the document itself for a complete description of its terms.

The SEC also maintains an Internet website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through the SEC's website at http://www.sec.gov.

When the Registration Statement is declared effective by the SEC, we will be subject to the information reporting requirements of the Exchange Act, we are subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements are filing reports with the SEC. Those other reports or other information may be inspected without charge at the locations described above. As a foreign private issuer, we are exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. However, we will file with the SEC, within 120 days after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and will submit to the SEC, on Form 6-K, unaudited quarterly financial information.

We maintain a corporate website at http://www.icecure-medical.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 as an inactive textual reference. We will post on our website any materials required to be so posted on such website under applicable corporate or securities laws and regulations, including, posting any XBRL interactive financial data required to be filed with the SEC and any notices of general meetings of our shareholders.

11,485,697 Ordinary Shares

IceCure Medical Ltd.

PROSPECTUS

, 2021

ICECURE MEDICAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

ICECURE MEDICAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

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Deloitte.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
IceCure Medical Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IceCure Medical Ltd. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the

related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "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, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 audit, 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 consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network
Tel Aviv, Israel
May 24, 2021

(except for motions described in Note 17.B and 17.C and the effect of the reverse stock split described in Note 17.D, as to which the date is August 9, 2021).

We have served as the Company's auditor since 2006.

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ICECURE MEDICAL LTD.

CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share data and per share data)

	Note	As of December 31, 2020	As of December 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,502	5,789
Deposit	3	4,669	—
Trade accounts receivable		94	17
Inventory	4	1,064	678
Prepaid expenses and other receivables		260	381
Total current assets		9,589	6,865
NON-CURRENT ASSETS			
Prepaid expenses and other long-term assets		37	39
Right of use assets	5	306	225
Property and equipment, net	6	307	147
Total non-current assets		650	411
TOTAL ASSETS		10,239	7,276
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable		645	428
Lease liabilities	5	214	135

Other current liabilities	7	2,855	2,990
Total current liabilities		3,714	3,553
NON-CURRENT LIABILITIES			
Long term lease liabilities	5	118	105
Other long-term liabilities		759	327
Total non-current liabilities		877	432
Commitments and contingencies	8		
SHAREHOLDERS' EQUITY			
Ordinary shares, No par value; Authorized 2,500,000,000 shares; Issued and outstanding: 20,218,220 shares and 15,029,470 shares as of December 31, 2020 and December 31, 2019, respectively	9		3,318
Treasury shares		(41)	(41)
Additional paid-in capital		54,225	44,820
Accumulated deficit		(48,536)	(44,806)
Total shareholders' equity		5,648	3,291
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,239	7,276

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

ICECURE MEDICAL LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(U.S. dollars in thousands, except share data and per share data)

	Note	Year ended December 31, 2020	Year ended December 31, 2019
Revenues	10	3,868	1,627
Cost of revenues	11	1,424	1,103
Gross profit		2,444	524
Research and development expenses	12	3,809	3,001
Sales and marketing expenses	13	1,063	1,035
General and administrative expenses	14	1,714	1,272
Operating loss		4,142	4,784
Financial income, net		(412)	(233)
Net loss and comprehensive loss		3,730	4,551
Basic and diluted net loss per share		0.218	0.334
Weighted average number of shares outstanding used in computing basic and diluted loss per share		17,128,903	13,621,285

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

ICECURE MEDICAL LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data and per share data)

	Ordinary shares		Treasury shares		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number	Amount	Number	Amount			
Balance as of January 1, 2019	**12,700,056**	**2,787**	**(5,434)**	**(41)**	**41,670**	**(40,255)**	**4,161**
Issuance of ordinary shares, net	2,329,414	531	-	-	2,778	-	3,309
Share-based compensation related to options granted to employees	-	-	-	-	372	-	372
Loss for the year	-	-	-	-	-	(4,551)	(4,551)

Balance as of December 31, 2019	**15,029,470**	**3,318**	**(5,434)**	**(41)**	**44,820**	**(44,806)**	**3,291**
Issuance of ordinary shares, net	5,175,000	1,203	-	-	4,644	-	5,847
Options exercised	13,750	3	-	-	8	-	11
Share-based compensation related to options granted to employees	-	-	-	-	229	-	229
Cancelation of par value	-	(4,524)	-	-	4,524	-	-
Loss for the year	-	-	-	-	-	(3,730)	(3,730)
Balance as of December 31, 2020	**20,218,220**	**-**	**(5,434)**	**(41)**	**54,225**	**(48,536)**	**5,648**

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

ICECURE MEDICAL LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands, except share data and per share data)

	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows from operating activities:		
Net loss	(3,730)	(4,551)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	63	32
Share-based compensation	229	372
Exchange rate changes in cash and cash equivalents and short time deposits	(452)	(358)
Changes in assets and liabilities:		
Decrease (increase) in trade accounts receivable	(77)	168
Increase in inventory	(386)	(6)
Decrease (increase) in prepaid expenses and other receivables	121	(253)
Decrease (increase) in prepaid expenses and other long-term assets	17	(11)
Increase in right of use assets	(81)	(225)
Increase (decrease) in trade accounts payable	217	(28)
Increase in lease liabilities	92	240
Increase (decrease) in other current liabilities	(135)	2,306
Increase in other long-term liabilities	432	325
Net cash used in operating activities	(3,690)	(1,989)
Cash flows from investing activities:		
Investment of deposits	(4,432)	—
Investment of restricted deposits	(15)	—
Purchase of property and equipment	(223)	(103)
Net cash used in investing activities	(4,670)	(103)
Cash flows from financing activities:		
Issuance of ordinary shares, net of issuance expenses	5,858	3,309
Net cash provided by financing activities	5,858	3,309
Increase (decrease) in cash and cash equivalents	(2,502)	1,217
Cash and cash equivalents beginning of the year	5,789	4,214
Effect of foreign exchange rate on cash and cash equivalents	215	358
Cash and cash equivalents end of the year	3,502	5,789

ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1 - GENERAL

A. Description of the Company:

IceCure Medical Ltd. ("IceCure Medical Ltd.", the "Company", "we" or "our") is a medical device company incorporated in Israel. The Company's ordinary shares are listed on the Tel Aviv Stock Exchange.

Since its establishment, IceCure Medical Ltd., and its wholly-owned subsidiaries, IceCure Medical Inc. in the United States (the "US Subsidiary"), IceCure Medical HK Limited, in Hong Kong (the "Hong Kong Subsidiary") and IceCure (Shanghai) MedTech Co., Ltd. In China (the "Chinese Subsidiary, and

together with the Company, the US Subsidiary and the Hong Kong Subsidiary, the "Group"), have been engaged in the research, development and commercialization of minimally invasive medical devices for cryoablation (freezing) of tumors in the human body, using its propriety liquid nitrogen Cryoablation technology, as an alternative to surgical intervention to remove the tumor. The Company received regulatory approvals for marketing its products in the United States, Europe and other territories.

The US Subsidiary was established on April 6, 2011 in the State of Delaware and is engaged in business development, marketing, clinical trial management and sale of the Company's products in the United States. The Hong Kong Subsidiary was established on September 26, 2018 and commenced its activity in 2021. The Chinese Subsidiary was established on July 14, 2020, and is wholly owned by the Hong Kong Subsidiary. The Chinese Subsidiary in China commenced its operation on January 1, 2021 and is engaged in business development and obtaining regulatory approvals for the Company's products.

The Group activities are subject to significant risks and uncertainties, including failing to secure additional funding to commercialize its technology, obtaining regulatory approvals and other risks. In addition, the Group is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements and limited operating history.

B. Risk factors:

Our ability to operate successfully is materially uncertain and our operations are subject to significant risks inherent in a developing business enterprise.

Additional funding will be required to complete the Company's research and development and clinical trials, to attain regulatory approvals, to continue our commercialization efforts and to achieve a level of sales adequate to support the Company's cost structure.
We will need to raise additional funds to meet our anticipated expenses so that we can execute our business plan. We expect to incur substantial and increasing net losses for the foreseeable future as we increase our spending to execute our development programs.

The amount of financing required will depend on many factors including our research and development costs, our clinical trials, our commercialization efforts, and other working capital requirements. Our ability to access the capital markets, or to secure partnerships is mainly dependent on the progress of our research and development, our clinical trials, regulatory approval of our products and our success in commercialization of our products.

NOTE 1 - GENERAL (Cont.)

C. Outbreak of 2019 Novel Coronavirus ("COVID-19"):

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. As a result, in many countries around the world, including Israel, a series of measures were taken since its outbreak, to contain and reduce the spread of the COVID-19, including, among other things, imposing various restrictions on trading activity, closing borders, restricting gatherings, restricting movement, closing places of employment, etc. It should be noted that the Company, in its capacity as an essential service provider in Israel, in accordance with the addition to the Emergency Regulations (limiting the number of employees in the workplace to reduce the spread of the new COVID-19), has continued its business activities since the outbreak, as well as during closure periods, but with travel restrictions which affected its operations outside of Israel.

Due to the burden on health systems and the fear of infection, medical institutions in certain territories have restricted elective procedures, including those related to the Company's area of activity, face-to-face meetings, and on-site demonstrations.

However, despite the delays caused in the implementation of management plans in certain territories and fields, such restrictions did not have a material effect on the Company's revenues for 2020 as presented to and approved by the Company's Board of Directors. We still experience challenges in 2021, and expect to experience challenges, which are mainly related to delays in shipments of materials by our suppliers, and disruption in access to new medical service providers and costumers. These disruptions might impact our operation and revenue.

The Company examined and continues to examine the consequences of the outbreak, performs risk assessments and implements operational solutions to deal with the crisis. However, the extent of the impact of COVID-19 on the Company's future results of operations and financial condition, will depend on certain developments, including the duration and spread of the outbreak, both in Israel and globally, all of which are uncertain and cannot be predicted at this point.

D. Going Concern:

As of December 31, 2020, the Company has accumulated losses of $48,536. In the year ended December 31, 2020, the Company generated losses of $3,730 and negative cash flows from operating activities of $3,690.

To date, the management expects the Company to continue to generate substantial operating losses and to continue to fund its operations primarily through utilization of its current financial resources, sales of its products, and through additional raises of capital. On March 9, 2021, according to a share purchase agreement signed on January 27, 2021 and following the approval of Company's general meeting of shareholders, the Company received $9,000 and issued in return 6,891,418 ordinary shares to four investors. In May 2021, the Company received $6,000 and issued in return 4,594,279 ordinary shares (see note 17A). As of May 20, 2021, the Company's cash, cash equivalents and short-term deposits were $19,467 thousand.

The management expects that its cash, cash equivalents and short-term deposits as of the issuance date of the financial statements, will be sufficient for 12 months of operation.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

(U.S. dollars in thousands, except share data and per share data)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. Actual results could differ from those estimates.

B. Financial statements in U.S. dollars and functional currency**:**

The functional currency of the Company and its subsidiaries is the U.S dollar ("USD" or "dollar" or "$") since the dollar is the currency of the primary economic environment in which the Company has operated and expects to continue to operate in the foreseeable future. Most of the Company's revenues are derived from sales outside of Israel, which are based primarily on dollar. In addition, the majority of the Company's equity raising is denominated in dollars. Thus, the functional currency of the Company and certain subsidiaries is the dollar.

Transactions and balances denominated in dollars are presented at their original amounts. Transactions and balances denominated in foreign currencies have been re-measured to dollars in accordance with the provisions of Accounting Standards Codification ("ASC") 830-10, "Foreign Currency Translation".

All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statement of operations as financial income or expenses, as appropriate.

C. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Profits from intercompany sales, not yet realized outside the group, were also eliminated.

D. Cash and cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible into cash with original maturities of three months or less. Highly liquid investments with maturities greater than three months are classified as short-term investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. Inventories:

Inventories are valued using the lower of cost and net realizable value, and include raw materials, work in progress and finished goods. The cost of inventories is determined as follows:
Cost of raw materials is determined on a standard cost basis utilizing the weighted average cost of historical purchases, which approximates actual cost.
Cost of work in progress ("WIP") and finished goods are based on the standard cost method and determined on the cost of raw materials and subcontracted work, and the applicable share of the cost of labor on the weighted average cost basis which approximates actual cost.

The Company regularly evaluates the value of inventory based on a combination of factors including the following: historical usage rates, product end of life dates, technological obsolescence and product introductions.

F. Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The annual depreciation rates are as follows:

	%
Machines and equipment	15
Computers and software	33
Office furniture and equipment	7 - 15
Leasehold improvements	Over the shorter of the related lease period or the life of the asset

The Company periodically performs impairment testing on its long-lived assets either annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

G. Leases:

On January 1, 2019, the Company early adopted ASU 2016-02, Leases (Topic 842) ("ASU 2016-02") using the modified retrospective approach for all lease arrangements at the beginning of the period of adoption. Leases existing for the reporting period beginning January 1, 2019 are presented under ASU 2016-02. The Company leases office space and vehicles under operating leases.

Upon adoption, we elected to utilize the package of transition practical expedients, which allowed us to carry forward prior conclusions related to whether any expired or existing contracts are or contain leases, their lease classification and initial direct costs for existing leases. We also made an accounting policy election to not recognize leases with an initial term of twelve months or less within our consolidated balance sheets and to recognize those lease payments on a straight-line basis on our consolidated statements of income over the lease term. We did not have any material short-term leases accounted for under this policy during the years ended December 31, 2020 and December 31,2019.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

G. Leases (Cont.):

We determine if an arrangement is a lease at inception. Operating lease assets are presented as operating lease right of use ("ROU") assets, and corresponding operating lease liabilities are presented as lease liabilities within current liabilities (current portions), and as long-term lease liabilities within non - current liabilities (long-term portions), on our consolidated balance sheet.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the remaining lease payments over the lease term at commencement date. Our leases do not provide an implicit interest rate. We calculate the incremental borrowing rate to reflect the interest rate that we would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term, and consider our historical borrowing activities and market data in this determination. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

Some of our leases contain variable lease payments, which are expensed as incurred unless those payments are based on an index or rate. Variable lease payments based on an index or rate are initially measured using the index or rate in effect at lease commencement and included in the measurement of the lease liability; thereafter, changes to lease payments due to rate or index updates are recorded as rent expense in the period incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. In addition, we do not have any related party leases.

H. Contingencies:

The Company follows ASC 450-20, "Loss Contingencies", to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. There were no contingencies as of December 31, 2020.

Otherwise, a qualitative disclosure is included in the notes to the financial statements. The loss contingencies are determined by discounting the future cash flows at a pre-tax interest rate, reflecting the current market estimates of the time value of the money and the specific risks of the liability without weighting the Company's credit risk. The carrying value of the provision is then adjusted in every period so as to reflect the passage of time and the adjustment amount is credited to financial expenses.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. Revenue recognition:

On January 1, 2018, the Company adopted ASC 606 "Revenue from contracts with customers" ("ASC 606") by using the modified retrospective approach for all contracts not completed as of the date of adoption.

Under ASC 606, revenue is measured as the amount of consideration the Company expects to be entitled to, in exchange for transferring products or providing services to its customers and is recognized when or as performance obligations under the terms of contracts with the Company's customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (i) identify contract(s) with the customer; (ii) identify the separate performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the separate performance obligations in the contract; and (v) recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, once the contract is determined to be within the scope of the new revenue standard, the Company assesses whether the goods or services promised within each contract are distinct and, therefore, represent a separate performance obligation. Goods and services that are determined not to be distinct are combined with other promised goods and services. The Company then allocates the transaction price (the amount of consideration the Company expects to be entitled to from a customer in exchange for the promised goods or services) to each performance obligation and recognizes the associated revenue when (or as) each performance obligation is satisfied.

Revenues from product sales are recognized upon the transfer of control, which is generally upon shipment or delivery.
Provisions for discounts, rebates and sales incentives to customers, returns and other adjustments are provided for in the period the related sales are recorded. Sales incentives to customers are not material.

Deferred revenue represents amounts received by the Company for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met.

The current portion of deferred revenue represents the amount to be recognized within one year from the balance sheet date based on the estimated performance period of the underlying performance obligation. The noncurrent portion of deferred revenue represents amounts to be recognized after one year through the end of the performance period of the performance obligation. As of December 31, 2020, and 2019, the Company's deferred revenue balance is $2,111 and $2,152 (out of which $1,376 and $1,045 are presented as current), respectively.

For further analysis of the Company's main revenue contract, see Note 10 below.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. Share-based compensation:

The Company applies ASC 718, "Share-Based Payment," which requires the measurement and recognition of compensation expense for all share-based payment awards, including stock options, made to employees and directors under the Company's stock plans based on estimated fair values.

ASC 718-10 requires companies to estimate the fair value of share-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's consolidated statement of comprehensive loss In June 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-07, "Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting", which simplifies the accounting for non-employee share-based payment transactions by aligning the measurement and classification guidance, with certain exceptions, to that for share-based payment awards to employees. The amendments expand the scope of the accounting standard for share-based payment awards to include share-based payment awards granted to non-employees in exchange for goods or services used or consumed in an entity's own operations and supersedes the guidance related to equity-based payments to non-employees.

The Company elected to early adopt these amendments on January 1, 2019.
Prior to the adoption, the Company accounted for stock options issued to non-employees under ASC 505-50, "Equity: Equity-Based Payments to Non-Employees," which required the fair value of such non-employee awards to be re-measured at each quarter-end over the vesting period. After the adoption of ASU 2018-07, the accounting guidance is consistent with accounting for employee share-based compensation.

The Company estimates the fair value of stock options granted using a Black-Scholes option-pricing model. The option-pricing model requires a number of assumptions, the most significant of which are the expected stock-price volatility and the expected option term (the time from the grant date until the options are exercised or expire). The Company's calculations of the expected volatility were based upon actual historical stock-price movements over the period, which was equal to the expected option term. The expected option term was calculated for options granted to employees and directors in accordance with ASC-718-10-S99, using the "simplified" method, and grants to non-employees were based on the contractual term. Historically, the Company has not paid dividends, and has no foreseeable plans to do so. The risk-free interest rate is based on the yield from Israel Treasury zero-coupon bonds with an equivalent term. Changes in the determination of each of the inputs can affect the fair value of the options granted and the results of operations of the Company.

K. Research and development costs:

Research and development costs are charged to the consolidated statement of comprehensive loss as incurred. Grants for funding of approved research and development projects are recognized at the time the Company is entitled to such grants, on the basis of the costs incurred and applied as a deduction from the research and development expenses.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

L. Severance pay:

Under Israeli employment laws, all of the Company's employees in Israel are included under Section 14 of the Severance Compensation Act, 1963 ("Section 14"). Pursuant to Section 14, these employees are entitled to monthly deposits at a rate of 8.33% of their monthly salary, made on their behalf by the Company. Payments in accordance with Section 14 exempt the Company from any future severance pay liabilities in respect of those employees. The aforementioned deposits are not recorded as an asset in the Company's consolidated balance sheets.

M. Treasury shares:

Treasury shares are presented as a reduction of shareholders' equity, at their cost to the Company, under "Treasury shares".

N. Income taxes:

The Company accounts for income taxes utilizing the asset and liability method in accordance with ASC 740, "Income Taxes." Current tax liabilities are recognized for the estimated taxes payable on tax returns for the current year. Deferred tax liabilities or assets are recognized for the estimated future tax effects attributable to temporary differences between the income-tax bases of assets and liabilities and their reported amounts in the consolidated financial statements and for tax loss carry forwards, and are measured using the enacted tax rates and laws, that will be in effect when the differences are expected to reverse. Measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws, and deferred tax assets are reduced, if necessary, by the amount of tax benefits, the realization of which is not considered more likely than not based on available evidence. As of December 31, 2020, the Company had a full valuation allowance against deferred tax assets.

ASC 740-10 requires a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. The Company has not recorded any liability for uncertain tax positions for the year ended December 31, 2020.

O. Fair value of financial instruments:

The Company applies ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), pursuant to which fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

O. Fair value of financial instruments (Cont.):

The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value

The carrying values of cash and cash equivalents, other current assets, other long-term assets, trade accounts payable and other current liabilities approximate their fair value due to the short-term maturity of these instruments.

When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

P. Concentrations of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, deposit and trade accounts receivables.

The majority of the Company's cash and cash equivalents and deposit are in NIS in a major bank in Israel. The management believes that the financial institutions that hold the Company's investments are corporations with high credit standing. Accordingly, management believes that low credit risk exists with respect to these financial investments.

The trade accounts receivables of the Company are derived from sales to customers located primarily in the Americas, APAC, and Europe. The Company performs ongoing credit evaluations of its customers' financial condition. Under certain circumstances, the Company may require advance payments.

Q. Segment Reporting:

The chief operating decision maker (the "CODM") of the Company is the Chief Executive Officer. The CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Accordingly, the management has determined that the Company operates in one reportable segment.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

R. Basic and diluted net loss per share:

Basic net loss per share is computed based on the weighted-average number of ordinary shares outstanding during each year. Diluted net loss per share is computed based on the weighted-average number of ordinary shares outstanding during each year, plus the dilutive potential of the ordinary shares considered outstanding during the year, in accordance with ASC 260-10, "Earnings Per Share", using the treasury stock method.

All outstanding stock options were excluded from the calculation of the diluted loss per share for the years ended December 31, 2020, and 2019 because all such securities have an anti-dilutive effect.

S. Comprehensive loss:

The purpose of reporting comprehensive income (loss) is to report a measure of all changes in equity of an entity that result from recognized transactions and other economic events of the period resulting from transactions from non-owner sources.

T. Recently issued accounting pronouncements:

From time to time, new accounting pronouncements are issued by FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes" (Topic 740) which eliminates the need for an organization to analyze whether the following apply in a given period: (1) exception to the incremental approach for intra-period tax allocation; (2) exceptions to accounting for basis differences when there are ownership changes in foreign investments; and (3) exceptions in interim period income tax accounting for

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year-to-date losses that exceed anticipated losses. The ASU also is designed to improve financial statement preparers' application of income tax-related guidance and simplify GAAP for (1) franchise taxes that are partially based on income, (2) transactions with a government that result in a step-up in the tax basis of goodwill, (3) separate financial statements of legal entities that are not subject to tax, and (4) enacted changes in tax laws in interim periods.

This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material impact on its financial position or results of operations.

NOTE 3 - DEPOSIT

The amount represents a 6 months deposit bearing annual interest rate of 0.19%.

NOTE 4 - INVENTORY

Composition:

	As of December 31, 2020	As of December 31, 2019
Raw materials	380	350
Work in progress	332	252
Finished goods	352	76
	1,064	678

NOTE 5 - LEASES

On January 1, 2019, the Company early adopted of ASU 2016-02, Leases (Topic 842) ("ASU 2016-02") using the modified retrospective approach for all lease arrangements at the beginning of the period of adoption. The Company leases office space and vehicles under operating leases.

On January 1, 2020, the Company expended its leases from 494 square meters to approximately 581 square meters at a facility located in Caesarea, Israel, and extended its operating lease agreement for another 12 months until July 14, 2022, with additional option to extend until July 14, 2025. To secure the lease payments, the Company provided a bank guarantee of $20.

In addition, the Company leases vehicles under various operating lease agreements.

As of December 31, 2020, and 2019, total right-of-use assets totaled to approximately $306 and $225 and the lease liabilities for operating leases totaled to approximately $332 and $240, respectively.

Supplemental cash flow information related to operating leases was as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Cash payments for operating leases	185	132

The maturities of operating leases liabilities and the reconciliation of undiscounted cash flows of operating lease to operating lease liabilities as of December 31, 2020 were as follows:

2020	-	148
2021	212	97
2022	126	15
2023	23	-
Undiscounted cash flows of operating leases	361	260
Less: amount representing interest	(30)	(20)
Operating lease liabilities	331	240

NOTE 5 - LEASES (Cont.)

The weighted average lease term and weighted average discount rate as of December 31, 2020 were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019

Operating leases weighted average remaining lease term (in years)	1.48	1.7
Operating leases weighted average discount rate	8.09%	5.5%

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Composition:

	As of December 31, 2020	As of December 31, 2019
Cost		
Machines and equipment	198	114
Computers and software	142	83
Office furniture and equipment	65	44
Leasehold improvements	73	14
	478	255
Less - accumulated depreciation		
Machines and equipment	62	42
Computers and software	67	35
Office furniture and equipment	30	26
Leasehold improvements	12	5
	171	108
Property and Equipment, Net	307	147

Depreciation and amortization expenses for the years ended December 31, 2020 and 2019 were $63 and $32, respectively.

NOTE 7 - OTHER CURRENT LIABILITIES

Composition:

	As of December 31, 2020	As of December 31, 2019
Deferred revenues	1,376	2,031
Provision for royalties	60	32
Payroll and social benefits	830	503
Vacation and recuperation provision	221	158
Accrued expenses and others	368	266
	2,855	2,990

NOTE 8 - COMMITMENTS AND CONTINGENCIES

A. Israeli Innovation Authority (the "IIA"):

The Company undertook to pay royalties to the IIA in respect of grants received from the IIA for the years 2006 through 2014 for participation in research and development costs. According to the terms of the grants, the IIA was entitled to receive royalties at the rate of 3.5% of the sales, up to the amount of the grants received, including accumulated interest. As of the second half of 2017, new provisions to the grant agreements have entered into force, which stipulate that small companies (up to an annual turnover of $70,000) will pay royalties at the rate of 3%.

The liability to the IIA in Note 6 is calculated based on the Company's revenue from products developed with grants from the IIA. As of December 31, 2020, based on the second median of 2020 sales, the Company recorded in its books a liability for royalties in an amount of $60.

As of December 31, 2020, the Company has no open application for grants to the IIA.

Total grants received by the Company, including accumulated interest, amounts to approximately $2,455 ($2,186 net of royalties paid), and the entire amount was received prior to 2019. The grants are linked to the exchange rate of the dollar and bears interest of LIBOR per annum.

B. Liens:

The Company pledged a deposit in the amount of NIS 70,000 (approximately $20) to secure a bank guarantee issued in favor of a lease agreement. In addition, the Company pledged a deposit in the amount of $15 in favor of a bank guarantee for a credit card issued. The deposits are presented in the consolidated balance sheets as a non-current asset under "Prepaid expenses and other long-term assets".

NOTE 9 - SHAREHOLDERS' EQUITY

A. Ordinary shares:

(1) The ordinary shares confer upon the holders the right to receive notice to participate and vote in general meetings of shareholders of the Company, the right to receive dividends, if declared, and the right to participate in the distribution of the surplus assets of the Company in an event of liquidation.

(2) Public placements at Tel Aviv Stock Exchange:

On February 20, 2019, the Company raised $981 (gross) through a public offering of 528,000 ordinary shares at $1.84 per share. After deducting closing costs and fees, the Company received proceeds of approximately $933.

On September 8, 2019, the Company raised $2,430 (gross) through a rights offering of its ordinary shares. According to the rights offering, each shareholder holding 6.875 ordinary shares of the Company was entitled to purchase one unit comprised of 1.25 ordinary shares, at a price of $13.44 per unit. Total of 180,142 rights comprised of 1,801,414 ordinary shares were issued. After deducting closing costs and fees, the Company received proceeds of approximately $2,375.

On August 5, 2020, the Company raised $6,067 (gross) through a public offering of 5,175,000 ordinary shares at $1.168 per share. After deducting closing costs and fees, the Company received proceeds of approximately $5,847, net of issuance expenses.

(3) On September 13, 2020 the Company's general meeting of shareholders approved the increase of the company's Authorized share capital to 2,500,000,000 shares and canceled the shares par value.

NOTE 9 - SHAREHOLDERS' EQUITY (Cont.)

B. Treasury shares:

In 2009, the Company has forfeited 5,434 ordinary shares at a value of approximately $41.

C. Shares and options to employees:

(1) The fair value of options granted was estimated using the Black-Scholes option pricing model, and based on the following assumptions:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Exercise price	$0.8 - $8.96	$0.72 - $8.32
Expected volatility	110.4% - 88.77%	110.4% - 96.33%
Risk-free interest	2.54% - 0.4%	2.54% - 1.03%
Expected life of up to (years)	6.18	6.16

(2) The following table summarizes the option activity for the year ended December 31, 2020 for options granted to employees, officers and members of the Company's Board of Directors ("the Board"):

	Number of Share Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)
Balance as of January 1, 2019	1,008,001	$ 1.52	
Granted	267,753	$ 1.76	
Expired	(3,139)	$ 2.16	
Balance as of December 31, 2019	1,272,615	$ 1.52	8.15
Granted	370,351	$ 1.60	
Expired	(35,788)	$ 1.60	
Forfeited	(137,667)	$ 1.68	
Exercised	(13,750)	$ 0.88	
Balance as of December 31, 2020	1,455,761	$ 1.68	7.69
Exercisable at the end of year	777,878	$ 1.68	6.79

As of December 31, 2020, a total of 384,329 outstanding and exercisable options are "in the money" with aggregate intrinsic value of $253.

The weighted average fair value of options granted during the year ended December 31, 2020, was $1.2 per share.

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NOTE 9 - SHAREHOLDERS' EQUITY (Cont.)

C. Shares and options to employees: (Cont.)

(U.S. dollars in thousands, except share data and per share data)

(3) Options granted during 2019 and 2020:

(a) On March 28, 2019, the Company granted 72,878 options to purchase an aggregate of 72,878 ordinary shares to 5 officers of the Company, as follows: 9,726 options for the Company's Chief Executive Officer ("CEO"), and 63,152 options for four officers of the Company, at an exercise price of $2.16 per share. The CEO's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from March 28, 2020. The options are exercisable for 10 years from the date of grant.

(b) On May 21, 2019, the Company granted 194,875 options to purchase an aggregate of 194,875 ordinary shares to 24 employees of the Company, as follows: 51,000 options for the Company's CEO and Chairman of the Board, 48,000 options for three officers of the Company and 95,875 option for 19 employees of the Company, at an exercise price of $1.76 per share. The CEO's and Chairman of the Board's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from May 21, 2020. The 19 employee's options will vest in four equal installments over a period of four years from the date of grant. The options are exercisable for 10 years from the date of grant.

(c) On June 4, 2020, the Company granted 142,594 options to purchase an aggregate of 142,594 ordinary shares to 27 employees of the Company, at an exercise price of $1.68 per share. The options will vest in four equal installments over a period of four years from the date of grant. The options are exercisable for 10 years from the date of grant.

(d) On August 30, 2020, the Company granted 170,258 options to purchase an aggregate of 170,258 ordinary shares to six officers of the Company, as follows: 27,333 options for the Company's CEO, and 142,925 options for five officers of the Company, at an exercise price of $1.52 per share. The CEO's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equally quarterly installments over a period of three years from August 30, 2021. The options are exercisable for 10 years from the date of grant.

(e) On October 28, 2020, the Company granted 57,500 options to purchase an aggregate of 57,500 ordinary shares to 2 officers of the Company, as follows: 32,500 options for the Company's CEO, and 25,000 options for the Chairman of the Board of Directors, at an exercise price of $1.6 per share. The options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from October 28, 2021. The options are exercisable for 10 years from the date of grant.

NOTE 9 - SHAREHOLDERS' EQUITY (Cont.)

C. Shares and options to employees: (Cont.)

(3) Option granted during 2019 and 2020: (Cont.)

(f) On December 13, 2020, the Company granted 100,000 options to purchase an aggregate of 100,000 ordinary shares to a Company Board member, at an exercise price of $1.60 per share. The options will vest as follows:

a. 25,000 options - a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from December 13, 2020.

b. 75,000 options- based on target achievement.

The options are exercisable for 10 years from the date of grant.

(4) The total share-based compensation the Company recognized for share-based payments is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Cost of revenues	16	12
Sales and marketing	26	36
Research and development	67	151
General and administrative	120	173
	229	372

As of December 31, 2020, the total unrecognized share-based compensation cost, related to non-vested share option grant arrangements under the plan was $297. This cost is expected to be recognized over the remaining vesting period of four years, until the end of December 31, 2024.

NOTE 10 - REVENUES

The Company's revenues are derived primarily from the sale of consoles and disposables. Revenues from warranty and services are not material and therefore are included in revenue from consoles in the following table.

Composition:

	Year ended December 31, 2020	Year ended December 31, 2019
Consoles	1,817	786
Disposables	1,006	493

Exclusive distribution agreement	1,045	348
	3,868	1,627

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NOTE 10 - REVENUES (Cont.)

For maintenance agreements that provide service beyond the Company's standard warranty and other service agreements, revenue is recognized ratably over the contract term. A time-based measure of progress appropriately reflects the transfer of services to the customer. Payment terms between the Company and its customers vary by the type of customer and the country of sale. The term between invoicing and the payment due date is not significant.

Exclusive distribution agreement
On August 30, 2019, the Company entered into an exclusive distribution agreement with Terumo Corporation ("Terumo"), in which Terumo will be appointed as exclusive distributor of the Company's products in Japan and in Singapore. According to the agreement, Terumo will take full responsibility for registration, importing, marketing, selling, promoting and distributing the Company's products for cryoablation of breast cancer in Japan and Singapore.

The agreement is for a period of five years from the date of the receipt of regulatory approvals for the sale of the Company's products in Japan, which will be extended automatically for an additional period of five years each, unless either party notifies the other party of its intention to terminate the agreement at least one year prior to the end of the period of the agreement (either the initial five year period or any of the renewal periods). The agreement can be canceled in certain circumstances.

Pursuant to the agreement, Terumo will be responsible and will bear the costs of performing the activities that are required, including clinical research, insofar as they may be required, for the purpose of receiving the regulatory approvals in Japan.
As of December 31, 2020, the Company is unable to assess what will be required for the purpose of receiving such regulatory approvals. The Company assesses that, the timeframe for obtaining the regulatory approval in Japan is approximately between three to four years from the time of signing the agreement.

In Singapore, the Company has regulatory approval for the sale of its products.

The Company assessed the following promises in the contract in order to identify all relevant performance obligations:

- Sale of products (consoles and disposables);
- Providing technical regulatory and clinical materials and information for obtaining the regulatory approval;
- Assistance and support in submitting and obtaining the reimbursement approval from the Japanese Ministry of Health for the medical procedures;
- Stand ready obligation to keep providing the consoles and disposables throughout the contract term; and
- Providing exclusivity rights to Terumo.

The Company assessed all of the aforementioned promises and identified 3 performance obligations as follows:

(1) Selling products;

(2) Providing technical regulatory and clinical materials and information and support services in obtaining the regulatory approval; and

(3) Assistance and support in submitting and obtaining the reimbursement approval from the Japanese Ministry of Health for the medical procedures.

The stand ready obligation and the exclusive rights were not recognized as separate performance obligations.

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NOTE 10 - REVENUES (Cont.)

The overall fixed consideration is as follows:

(1) $1,000 were paid to the Company for an exclusive distribution rights and sharing of information for the purpose of a submission of a regulatory approval request to the Japanese regulatory authorities; and

(2) $3,000 were paid to the Company as an advance payment, of which $1,500 were paid in 2019 and the remaining balance was paid in 2020.

In addition, milestones have been set, for which, if met, the Company will receive the following amounts
(that were identified by the Company as variable amounts):

(1) $250 will be paid to the Company upon the submission of an application for regulatory approval for the products in Japan;

(2) $250 will be paid to the Company upon the receipt of regulatory approval in Japan (considered as variable consideration); and

(U.S. dollars in thousands, except share data and per share data)

(3) $500 will be paid to the Company upon the receipt of approval for medical reimbursement for the procedure in Japan (considered as variable consideration).

The Company evaluated whether the aforementioned milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal will not occur, the associated milestone value is included in the transaction price. The receipt of the regulatory approval and the receipt of approval for medical reimbursement milestone payments are not within the control of the Company or Terumo, and hence are not considered probable of being achieved until those approvals are received. However, the submission of the application for the regulatory approval milestone payment is considered probable of being achieved and thus the Company included this milestone payment in the allocation of the transaction price.

A total amount of $4,250 was allocated to the identified performance obligations as follows:

- Consoles and disposables – $866 were allocated based on sale price of these products to similar customers in similar contracts.
- Submission of an application for regulatory approval – $250 were allocated based on a standalone selling price of the submission fee.
- Assistance in obtaining the regulatory approval – $3,134 were allocated based on the residual approach since the Company has not yet established a price for this service and has not sold it on a standalone basis.

The Company recognizes revenues from sales of consoles and disposables when the control is transferred to Terumo and recognizes revenue from assistance in obtaining the regulatory approval over the estimated period as evaluated by the Company.

As of December 31, 2020, the Company has received $4,000 of the total consideration, of which $2,069 was recognized as revenue.

NOTE11 - COST OF REVENUES

Composition:

	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	655	473
Raw materials subcontractors and auxiliary materials	461	389
Shipping	39	69
Royalties to the IIA	116	48
Others	153	124
	1,424	1,103

NOTE12 - RESEARCH AND DEVELOPMENT EXPENSES

Composition:

	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	2,273	1,730
Raw materials subcontracted work and consulting	1,058	866
Others	478	405
	3,809	3,001

NOTE 13 - SALES AND MARKETING EXPENSES

Composition:

	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	576	403
Consulting and professional services	157	150
Travel	29	167
Advertising and promotion expenses	36	41
Sales commissions	57	33
Others	208	241
	1,063	1,035

(U.S. dollars in thousands, except share data and per share data)

NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES

Composition:

	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	965	833
Professional services	611	347
Others	138	92
	1,714	1,272

NOTE 15 - TAXES ON INCOME

A. General:

The Company is assessed for tax purposes on an unconsolidated basis. Each of the Company's subsidiaries is subject to the tax rules prevailing in its country of incorporation.

B. Corporate Taxation:

The Company is subject to Israeli corporate tax rate of 23% for the years ended December 31, 2020 and December 31, 2019.

The US subsidiary was subject to U.S. tax rate of 21% for the years ended December 31, 2020 and December 31, 2019.

C. Net loss carryforward:

As of December 31, 2020, the Company has an accumulated tax loss carryforward of approximately $52,150, which may be carried forward and offset against taxable income in the future for an indefinite period.

E. Tax assessments

The Company received final tax assessments through the year ended December 31, 2015.

NOTE 15 - TAXES ON INCOME (Cont.)

F. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets are as follows:

	As of December 31, 2020	As of December 31, 2019
Net loss carryforward	11,995	10,148
Other reserves and allowance	51	36
Total deferred tax assets	12,046	10,184
Valuation allowance	(12,046)	(10,184)
Net deferred tax asset	—	—

As of December 31, 2020, the Company has provided valuation allowances of $12,046 in respect of deferred tax assets resulting from tax loss carryforward and other temporary differences. The management currently believes that because the Company has a history of losses, it is more likely than not that the deferred tax regarding the loss carryforward and other temporary differences will not be realized in the foreseeable future.

G. Effective tax expense (benefit):

The components of loss before tax and a reconciliation of the Company's tax expense to the Company's theoretical statutory tax benefit is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019

Loss before taxes:		
Local	3,735	4,555
Foreign [1]	(5)	(4)
Net loss and comprehensive loss, as reported in the consolidated statements of comprehensive loss	3,730	4,551
Israeli statutory income tax rate	23%	23%
Theoretical tax benefit	858	1,047
Losses and other items for which a valuation allowance was provided or benefit from loss carryforwards	(858)	(1,047)
Tax expense	-	-

1 Foreign is amount related to the US Subsidiary.

NOTE 16 - GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

The Company has identified one reportable and operating segment that designs, develops, manufactures and markets Cryoablation medical devices. The results of operations provided to and analyzed by the CODM are at the consolidated level and accordingly, key resources and assessments of performance are performed at the consolidated level. We continue to evaluate our internal reporting structure and the potential impact of any changes on our segment reporting.

The following table sets forth reporting revenue segment information by geographic region:

	Year ended December 31, 2020	Year ended December 31, 2019
Israel	7	65
Japan	2,097	512
United States	276	231
China	-	220
Spain	207	211
Thailand	528	-
Other [2]	753	388
	3,868	1,627

The following table sets forth reporting property and equipment segment information by geographic region:

	As of December 31, 2020	As of December 31, 2019
Israel	305	140
United States	2	7
	307	147

The following table is a summary of customer concentrations as a percentage of total revenue:

	Year ended December 31, 2020	Year ended December 31, 2019
Customer A	47%	21%
Customer B	-	14%
Customer C	-	13%
Customer D	14%	-

2 No country represented is greater than 10% of our total revenue as of the dates presented, other than the territories presented above.

NOTE 17 - SUBSEQUENT EVENTS

The following are the significant events that took place subsequent to December 31, 2020 through May 24, 2021, which is the date that the accompanying financial statements have been issued (except for motions described in Note 17.B and 17.C and the effect of the reverse stock split described in Note 17.D, as to

which the date is August 9, 2021):

A. On January 27, 2021, the Company entered, subject to the approval of the general meeting of shareholders, into a series of share purchase agreement with its controlling share-holder, Epoch Partner Investments Limited (Epoch), for a total of $7,500, Alpha Capital Anstalt (Alpha), for a total of $4,000, Clover Wolf Capital Limited Partnership (Clover Wolf) for a total of $3,100 and Clover Alpha L.P (Clover Alpha) for a total of $400. According to the agreements, the investors will invest in two tranches a total of $15,000, and in return the Company will issue to the investors a total of 11,485,697 ordinary shares at a share price of $1.304, reflecting a 20% discount on the average closing price of the Company's share in the seven trading days preceding the date of the transaction's approval by the Board. The first tranche of $9,000 (60% of the total investment) was received following the approval of the Company's shareholders at a general meeting of the shareholders, on March 7, 2021 ("the first Closing Date"), and the company issued 6,891,418 shares. The second tranche of $6,000 was to close following the approval of the listing of the Company's securities on Nasdaq (the "Second Closing Milestone" and such date, "the Second Closing Date"). On May 2021, the Company and the investors agreed to conduct the second tranche prior to the achievement of the Second Closing Milestone, and the second tranche of $6,000 was received on May 9, 2021. Accordingly, the company issued to the investors 4,594,279 shares.

   The Company undertook to take steps to complete the listing of the securities for trading on Nasdaq within a period of 120 days from the first closing date. The Company also granted the investors the right to participate in respect of 50% of any amount of future capital raising that the Company will carry out in the course of 12 months beginning on the Second Closing Date, according to applicable law, and to refrain from issuing other securities for a period of 60 days beginning on the Second Closing Date.

B. On July 5th, 2021, the Company has was informed that a Motion (hereinafter: 'the motion') to certify a claim as a Class Action was filed against it and the members of the Board of Directors, the controlling shareholder and the investors who took part in the private placement that was approved by the general meeting on March 7th, 2021 (hereinafter: 'the investors'). The Motion to Certify was filed with the Tel Aviv District court by a shareholder of the Company, (hereinafter: the 'Plaintiff').

   In the motion, the plaintiff claims, inter alia, that the Company made a private placement to the controlling shareholder and the investors at a significant discount on the share price at that time, in which the share price did not reflect material information that was supposedly in the company's possession which was also brought to the attention of the investors, and that there were alleged defects in the manner of approving the private placement at the meeting of the company's shareholders.

   The plaintiff estimated the amount of his individual claim at a sum of approximately NIS 30,000 (USD 9,191), the amount of the class action, insofar as it will be qualified as such, at a sum of approximately NIS 163,459 (USD 50,079) for the class damages that the plaintiff claims had their shares diluted unlawfully, and at a sum of approximately NIS 234,349 (USD 71,798), for damage that was supposedly caused to the shareholders due to a sale at less than the full market price.

   After a preliminary review of the motion, the Company believes that motion is without merit and that the factual description and the data underlying the motion are incorrect and/or imprecise.

c. On July 29, 2021, the Company was informed that a motion to certify a claim as a Class Action has been filed against it regarding the non-accessibility of reports on the Internet Information Systems of the Securities Authority (MAGNA) and the Tel Aviv Stock Exchange Ltd. (MAYA), all this allegedly is in violation of the law of Equal Rights for Persons with Disabilities, 1998 and in violation of the Regulations for Equal Rights for Persons with Disabilities (Accessibility Adjustments to Services), 2013 (the "Motion"). The claim in the amount of NIS 5,000 (USD 1,541). As far as the Company knows, this motion was filed against many companies that trade on the Tel Aviv Stock Exchange. The Company believes that the duty of accessibility, insofar as it exists, is a duty of the Securities Authority and / or the Stock Exchange as the operator/s of the reporting sites and not of the companies.

d. On August 8, 2021 the Company completed a reverse stock split of its common shares. As a result of the reverse stock split, the following changes have occurred (i) every eight shares have been combined into one share; (ii) the number of shares underlying each option have been proportionately decreased on a 8-for-1 basis, and the exercise price of each such outstanding share option has been proportionately increased on a 8-for-1 basis. Accordingly, all option numbers, share numbers, share prices, exercise prices and losses per share have been adjusted within these consolidated financial statements, on a retroactive basis, to reflect this 8-for-1 reverse stock split.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors, Officers and Employees

Indemnification

The Israeli Companies Law 5759-2999, or the Companies Law, and the Israeli Securities Law, 5728-1968, or the Securities Law, provide that a company may indemnify an office holder against the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

- a financial liability imposed on him or her in favor of another person by any judgment concerning an act performed in his or her capacity as an office holder, including a settlement or arbitrator's award approved by a court;

- reasonable litigation expenses, including attorneys' fees, expended by the office holder (a) 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 (1) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (2) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her 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; or (b) in connection with a monetary sanction;

- reasonable litigation expenses, including attorneys' fees, expended by the office holder or imposed on him or her by a court: (1) in proceedings that the company institutes, or that another person institutes on the company's behalf, against him or her; (2) in a criminal proceedings of which he or she was acquitted; or (3) as a result of a conviction for a crime that does not require proof of criminal intent; and

- expenses incurred by an office holder in connection with an Administrative Procedure under the Securities Law, including reasonable litigation expenses and reasonable attorneys' fees. An "Administrative Procedure" is defined as a procedure pursuant to chapters H3 (Monetary Sanction by the Israeli Securities Authority), H4 (Administrative Enforcement Procedures of the Administrative Enforcement Committee) or I1 (Arrangement to prevent Procedures or Interruption of procedures subject to conditions) to the Securities Law.

The Companies Law also permits a company to undertake in advance to indemnify an office holder, provided that if such indemnification relates to financial liability imposed on him or her, as described above, then the undertaking should be limited and shall detail the following foreseen events and amount or criterion:

- to events that in the opinion of the board of directors can be foreseen based on the company's activities at the time that the undertaking to indemnify is made; and
- in amount or criterion determined by the board of directors, at the time of the giving of such undertaking to indemnify, to be reasonable under the circumstances.

We have entered into indemnification agreements with all of our directors and with all members of our senior management. Each such indemnification agreement provides the office holder with indemnification permitted under applicable law and up to a certain amount, and to the extent that these liabilities are not covered by directors and officers insurance.

Exculpation

Under the Companies Law, an Israeli company may not exculpate an office holder from liability for a breach of his or her duty of loyalty, but may exculpate in advance an office holder from his or her liability to the company, in whole or in part, for damages caused to the company as a result of a breach of his or her duty of care (other than in relation to distributions), but only if a provision authorizing such exculpation is included in its articles of association. Our articles of association provide that we may exculpate, in whole or in part, any office holder from liability to us for damages caused to the company as a result of a breach of his or her duty of care, but prohibit an exculpation from liability arising from a company's transaction in which our controlling shareholder or officer has a personal interest. Subject to the aforesaid limitations, under the indemnification agreements, we exculpate and release our office holders from any and all liability to us related to any breach by them of their duty of care to us to the fullest extent permitted by law.

Limitations

The Companies Law provides that the Company may not exculpate or indemnify an office holder nor enter into an insurance contract that would provide coverage for any liability incurred as a result of any of the following: (1) a breach by the office holder of his or her duty of loyalty unless (in the case of indemnity or insurance only, but not exculpation) the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice us; (2) a breach by the office holder of his or her duty of care if the breach was carried out intentionally or recklessly (as opposed to merely negligently); (3) any act or omission committed with the intent to derive an illegal personal benefit; or (4) any fine, monetary sanction, penalty or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders in a public company must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders.

Our articles of association permit us to exculpate (subject to the aforesaid limitation), indemnify and insure our office holders to the fullest extent permitted or to be permitted by the Companies Law.

Item 7. Recent Sales of Unregistered Securities

Set forth below are the sales of all securities by the Company since August 2018, which were not registered under the Securities Act. The Company believes 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.

On February 20, 2019, we issued 528,000 Ordinary Shares pursuant to a public offering on TASE, at a price per share of NIS 6.72 (approximately $1.84). The aggregate net proceeds from the offering were approximately NIS 3,374 thousand (approximately $933 thousand).

From September 8, 2019 to October 7, 2019, we issued 1,801,414 Ordinary Shares in a rights offering on TASE, at a price per share of NIS 4.72 (approximately 1.344). The aggregate net proceeds from the offering were approximately NIS 8,312 thousand (approximately $2,375 thousand).

On August 5, 2020, we issued 5,175,000 Ordinary Shares in a public offering on TASE, at a price per share of NIS 4 (approximately $1.168). The aggregate net proceeds from the offering were approximately NIS 19,955 thousand (approximately $5,848 thousand).

On March 10, 2021, we issued 6,891,417 Ordinary Shares, at a price per share of NIS 4.264 (approximately $1.304) for aggregate net proceeds of $9,000 thousand pursuant to the January 2021 SPA.

On May 9, 2021, we issued 4,594,278 Ordinary Shares, at a price per share of NIS 4.264 (approximately $1.304) for aggregate net proceeds of $6,000 thousand pursuant to the January 2021 SPA

Since August 2018, we have granted to our directors, officers, and employees options to purchase an aggregate of 1,118,285 Ordinary Shares under our 2017 Plan, with an exercise prices ranging between $1.44 and $5.52 per share. As of August 8, 2021, 143,012 options granted to directors, officers and employees were exercised, and 224,017 options forfeited and expired. The total outstanding amount of options and warrants to directors, officers, employees and consultants as of August 8, 2021 is 1,422,498

Item 8. Exhibits and Financial Statement Schedules

Exhibits:

Exhibit Number	Exhibit Description
1.1*	Articles of Association of IceCure Medical Ltd.
5.1*	Opinion of Sullivan & Worcester Tel-Aviv (Har-Even & Co.), Israeli counsel to IceCure Medical Ltd.
10.1*	Form of Indemnification Agreement.
10.2*	IceCure Medical Stock Option Plan.
10.3*	IceCure Medical Remuneration Policy.
10.4*	Securities Purchase Agreement, dated January 26, 2021, by and between IceCure Medical Ltd. and the investors listed therein.
10.5*^	Distribution Agreement, dated August 29, 2019, by and between IceCure Medical Ltd. and Terumo Corporation.
10.6*^	Distribution Agreement, dated December 31, 2020, by and between IceCure Medical Ltd. and Terumo (Thailand) Company Limited.
21.1*	List of Subsidiaries.
23.1*	Consent of Brightman Almagor Zohar & Co., a member firm of Deloitte Touche Tohmatsu, independent registered public accounting firm.
23.2*	Consent of Sullivan & Worcester Israel (Har-Even & Co.) (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page to the Registration Statement on Form F-1).

* Filed herewith.

^ Certain confidential information contained in this exhibit, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Financial Statement Schedules:

All financial statement schedules have been omitted because either they are not required, are not applicable or the information required therein is otherwise set forth in the Company's 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 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% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

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 Act 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. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

(5) That for purposes of determining any liability under the Securities Act of 1933, 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.

(6) That for the purpose of determining any liability under the Securities Act of 1933, 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.

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 on Form F-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Caesarea, Israel on August 9, 2021.

ICECURE MEDICAL LTD.

By: /s/ Eyal Shamir
Eyal Shamir
Chief Executive Officer

POWER OF ATTORNEY

The undersigned officers and directors of IceCure Medical Ltd. hereby constitute and appoint each of Eyal Shamir and Ronen Tsimerman with full power of substitution, each of them singly our true and lawful attorneys-in-fact and agents to take any actions to enable the Company to comply with the Securities Act, and any rules, regulations and requirements of the SEC, in connection with this registration statement on Form F-1, including the power and authority to sign for us in our names in the capacities indicated below any and all further amendments to this registration statement and any other registration statement filed pursuant to the provisions of Rule 462 under the Securities Act.

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement on Form F-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Eyal Shamir Eyal Shamir	Chief Executive Officer, Director (Principal Executive Officer)	August 9, 2021
/s/ Ronen Tsimerman Ronen Tsimerman	Chief Financial Officer, Chief Operations Officer (Principal Financial and Accounting Officer)	August 9, 2021
/s/ Ron Mayron Ron Mayron	Director, Chairman of the Board of Directors	August 9, 2021
/s/ Doron Birger Doron Birger	Director	August 9, 2021
/s/ Yang Huang Yang Huang	Director	August 9, 2021
/s/ Oded Tamir Oded Tamir	Director	August 9, 2021
/s/ Sharon Levita Sharon Levita	Director	August 9, 2021

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, IceCure Medical Inc., the duly authorized representative in the United States of IceCure Medical Inc., has signed this registration statement on August 9, 2021.

/s/ IceCure Medical Inc.
IceCure Medical Inc.

ARTICLES

OF

ICECURE MEDICAL LTD.

(The "Company")

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Chapter One – General

1. **Preamble**

1.1. Each of the following words will have, in these Articles, the meaning listed next to it below:

Law – The provisions of any law applicable in the State of Israel.

Companies Law – The Companies Law, 5759-1999; or any other provision of Law as may replace it.

Securities Law – The Securities Law, 5728-1968, or any other provision of Law as may replace it.

Business Day – A day on which most of the banks in Israel are open for the making of transactions.

Writing – Print and any other form of the printing of words, including documents transmitted in writing by facsimile, letter, telex, electronic mail, by computer or by any other electronic means of communication, which creates, or enables the creation of, a copy and/or printout of the document.

Securities – As defined in Section 1 of the Securities Law.

Legally Incompetent – One who has been declared legally incompetent pursuant to the Legal Capacity and Guardianship Law, 5722-1962.

Companies Ordinance – The Companies Ordinance (New Version), 5743-1983, or any provision of Law as may replace it.

Simple Majority – A majority of more than half of the votes of the shareholders entitled to vote, and who have voted in person or by proxy or by proxy statement, other than abstentions.

Articles – The Company's articles according to its version provided herein or as duly modified, from time to time, whether expressly or under any Law.

Companies Regulations – Regulations promulgated by virtue of the Companies Law and/or by virtue of the Companies Ordinance.

Securities Regulations – Regulations promulgated by virtue of the Securities Law.

Related Corporation – A corporation which directly and/or indirectly controls the Company and/or any corporation controlled, directly and/or indirectly, by such corporation and/or a corporation controlled by the Company, directly and/or indirectly.

1.2. In these Articles, reference to any organ or officer is to those of the Company.

1.3. The provisions of Sections 3-10 of the Interpretation Law, 5741-1981, will apply, *mutatis mutandis*, to the interpretation of the Articles as well, if no other provision exists regarding such matter and if such matter or the context thereof do not contain anything inconsistent with such application.

Other than the provision of this section, every word and expression contained herein will have the meaning ascribed to them by the Companies Law, and if they are not ascribed any meaning by the Companies Law, then the meaning ascribed to them by the Companies Regulations, and if they are not ascribed any such meaning, then the meaning ascribed to them by the Securities Law, and if they are not ascribed any such meaning, then the meaning ascribed to them by the Securities Regulations, and if they are not ascribed any such meaning, then the meaning ascribed to them by any other Law, all provided that such ascribed meaning does not contradict the context wherein such word or expression appears or the purpose of the relevant provision of the Articles.

If these Articles refer to a provision of Law, and such provision has been amended or revoked, such provision will be treated as effective and as though it were part of the Articles, unless, as a result of such amendment or revocation, such provision has no force and effect.

The provisions hereof are intended as additional stipulation to the provisions prescribed by the Companies Law. In any event where a provision hereof is contrary to what is permitted under Law, the provisions hereof will be interpreted, as much as possible, in accordance with the provisions of Law.

1.4. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum in the United States of America for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933. Any person or entity purchasing or otherwise acquiring any interest in any security of Icecure Medical Ltd shall be deemed to have notice of and consented to this provision.

2. **Public company**

The Company is a public company.

3. **Donations**

The Company may make donations even if the donation is not within the framework of business considerations.

4. **Company's objectives**

The Company will engage in any legal occupation, all as set forth in the Company's memorandum.

5. **Limitation of liability**

The liability of each of the Company's shareholders is limited to the repayment of the full amount which that shareholder undertook to pay for the shares issued to it upon the issue.

6. **Modification of the articles**

Unless provided otherwise regarding a specific provision hereof, the Company may modify any provision hereof or replace it with another by a resolution adopted by the general meeting by Simple Majority.

Chapter Two – The Company's Share Capital

7. **Share capital**

7.1. The Company's registered share capital is divided into 2,500,000,000 ordinary registered shares, each without nominal value (hereinafter: "**Share**", "**Ordinary Share**", "**Shares**" or "**Ordinary Shares**" as applicable).

7.2. Each Share confers a right to receive invitations, participate in and vote at the general meetings, a shareholder will have one vote for each Share owned by it which has been paid up in full. All Shares have equal rights among them with respect to the capital amounts paid or credited as paid for their nominal value, in all that relates to a dividend, a distribution of bonus Shares and any other distribution, the return of capital and participation in the distribution of the Company's surplus assets in winding up.

7.3. The provisions hereof regarding Shares will also apply, *mutatis mutandis*, to such other Securities as the Company may issue.

8. **Issue of Shares and other Securities**

8.1. No right of preemption – The Company's current shareholders will have no right of preemption, right of preference or any other right to purchase Securities of the Company. The board of directors may, at its sole discretion, offer Securities of the Company to current shareholders, or to some thereof, first.

8.2. Redeemable Securities

The Company's board of directors may issue redeemable Securities, with such rights and subject to such terms, as the board of directors will prescribe.

8.3. Commissions – The Company may pay any person a commission (including underwriting fees) in return for services of underwriting, marketing or distribution of Securities of the Company, conditionally or unconditionally, this being on such terms as the board of directors will prescribe. Payments under this section may be made in cash or in Securities of the Company, or partly in one way and partly in another.

8.4. The board of directors may establish differences between holders of the Company's Securities regarding the terms of issue of Securities of the Company and the rights attached to such Securities, and may modify such terms, including waiving some of them. The board of directors may also issue calls for payment to the holders of the Securities for the amounts not yet retired for the Securities held by them.

8.5. Any payment on the account of a Share will first be credited based on the account of the nominal value and only then on the account of the premium for each Share, unless otherwise provided by the terms of issue.

8.6. A shareholder will not be entitled to its rights as a shareholder, including to a dividend, unless it has paid all the amounts according to the terms of issue, with additional interest, linkage and expenses, if any, all unless otherwise provided by the terms of issue.

8.7. The board of directors may forfeit and sell, reissue or otherwise transfer any security for which the full consideration has not been paid, as it decides, including without consideration.

8.8. The forfeiture of a security will entail, upon the forfeiture, the revocation of any right in the Company and any claim or demand toward it regarding the security, other than such rights and obligations excluded therefrom hereunder or which the Law grants to, or imposes on, a former holder of a security.

9. **Company's register of shareholders and issue of Share certificates**

9.1. The Company's secretary, or one appointed for such purpose by the Company's board of directors, will be responsible for maintaining the Company's register of shareholders. A shareholder is entitled to receive from the Company, free of charge, within two months following the issue or the registration of the transfer (unless the terms of issue provide a different period of time), one certificate or several certificates, as the Company may decide, regarding all the Shares of a certain class registered under its name, which will specify the number of the Shares, the class of the Shares (if any) and any additional detail which the board of directors deems to be important. In the event of a Share held jointly, the Company will not be required to issue more than one certificate to all joint holders, and the delivery of such certificate to one of the joint holders will be deemed to be delivery to all of them.

9.2. The board of directors may close the register of shareholders for a total period of up to 30 days each year.

9.3. Every certificate will be stamped with the Company's seal or stamp or with the Company's name in print, and will bear the handwritten signature of one director and of the Company's secretary, or of two directors or of any other person appointed by the board of directors for such purpose.

9.4. The Company may issue a new certificate to replace a certificate which was issued and has been lost or damaged or defaced, based on such proofs and guarantees as the Company may require, and following the payment of such amount as the board of directors may prescribe; and the Company may also, according to the decision of the board of directors, replace existing certificates with new certificates free of charge, subject to such terms as the board of directors may prescribe.

9.5. Where two or more persons are registered as joint holders of Shares, each of them may certify receipt of a dividend or other payments in connection with such Share, and his certification will be binding upon all the holders of the Share.

9.6. The Company is entitled to recognize the holder of a Share as a trustee and to issue a Share certificate under the trustee's name, provided that the trustee has notified it of who the trust's beneficiary is. The Company will not be bound or required to recognize a right based on the rules of equity or a right contingent upon a condition, or a future right, or a partial right to a Share, or any other right in connection with a Share, other than the absolute right of the registered holder regarding each Share, unless this is done based on a judicial decision or pursuant to the requirements of any Law.

10. **Transfer of Company's Shares**

10.1. The Company's Shares are transferrable.

10.2. A transfer of Shares registered in the register of shareholders under the name of a registered shareholder will not be registered unless a signed original copy of a letter of transfer of the Shares (hereinafter: the "**Letter of Transfer**") has been submitted to the Company, unless otherwise provided by the Company's board of directors. A Letter of Transfer will be drafted in the following form or in a form as similar as possible or in a different form, which will be approved by the board of directors.

CERTIFICATE OF TRANSFER

I, _____, ID / Corporation Number _____ (hereinafter: the "**Transferor**"), of _____, transfer to _____, ID / Corporation Number _____ (hereinafter: the "**Transferee**"), of _____, for the amount of NIS _____ which it paid me, _____ Shares of the type _____, of a nominal value of NIS _____ each, marked by the numbers _____ through _____, inclusive, of _____ Ltd. (hereinafter: the "**Company**"), and they will be held by the Transferee, its administrators, guardians and proxies, on the terms on which I held the Share at the time of the signing hereof, and I, the Transferee, agree to take such Shares on the aforementioned terms and subject to the Company's articles, as it may be from time to time.

In witness whereof, we have set our hand, on the ____ day of the month of _____, _____

Transferor –	Transferee –
Name: _____	Name: _____
Signature: _____	Signature: _____
Witness to Transferor's signing –	Witness to Transferee's signing –
Name: _____, Adv.	Name: _____, Adv.
Signature: _____	Signature: _____

A transfer of outstanding Shares in full, or of Shares on which the Company has a lien or charge, will have no force and effect, unless approved by the board of directors, who may, at its absolute discretion and without providing any reasons therefor, refuse to register such a transfer.

The board of directors may refuse such transfer of Shares, and the board of directors may also make such transfer of Shares contingent upon an undertaking by the Transferee, in such scope and manner as the board of directors may prescribe, to pay the Transferor's obligations for the Shares or the obligations for which the Company has a lien or charge on the Shares.

10.3. The Transferor will continue to be treated as the holder of the transferred Shares until the Transferee's name is registered in the Company's register of shareholders.

10.4. A Letter of Transfer will be submitted to the Company's registered office for the purpose of registration, along with the certificates listing the Shares about to be transferred (if any such certificates have been issued) and any such other proofs as the Company may demand regarding the Transferor's title to the Shares or its right to transfer them.

10.5. A joint holder of a Share who wishes to transfer its right to the Share but does not hold the Share certificate will not be required to attach the Share certificate to the Letter of Transfer, provided that the Letter of Transfer will specify that the Transferor does not hold the Share certificate for the Share the right to which is being transferred, and that the transferred Share is held jointly with others, and will provide their information.

10.6. The Company may require the payment of a fee for the transfer's registration, in such amount or at such rate as the board of directors may determine from time to time.

10.7. Upon the death of a holder of the Company's Shares, the Company will recognize the guardians or administrators, the executors of the will, and in the absence of such, the shareholder's legal heirs, as the sole holders of the right to the shareholder's Shares, this being after such entitlement has been proved, as the board of directors will determine.

10.8. In the event that a deceased shareholder held Shares jointly with others, the Company will recognize the survivor as a shareholder regarding said Shares, unless all the joint holders of the Share have given written notice to the Company, before the death of one of them, of their wish that the provisions of this article not apply; but this will not exempt the estate of a joint holder of a Share from any obligation by which the joint holder of the Share would have been bound had he not died.

10.9. A person acquiring a right to Shares due to being a guardian, administrator, heir of a shareholder, receiver, liquidator or trustee in bankruptcy of a shareholder or under another provision of law, may, upon producing such proofs of his right as the board of directors may require, register as the holder of the Shares or transfer them to another person, subject to the provisions of the Articles regarding a transfer.

10.10. A person acquiring a right to a Share as a result of its transfer by virtue of Law will be entitled to a dividend and to the other rights for the Share, and may receive and give receipts for a dividend or other payments paid in connection with the Share, but will not be entitled to receive notices in connection with the Company's general meetings (if any such right exists) and to participate therein or vote thereat in connection with such Share or use any right whatsoever conferred by the Share, other than the aforesaid, until after he is registered in the register of shareholders.

11. **Bearer Share certificate**

The Company will not issue bearer Share certificates.

12. **Charging of Shares**

12.1. The Company will have a first charge and a right of lien over all the Shares not paid up in full which are registered under the name of each shareholder, and for the consideration from the sale thereof, with respect to funds (whether the time for their repayment has arrived or has not yet arrived) which have already been called for payment or which are about to be payable at a fixed time for such Shares. The Company will also have a first charge over all the Shares (other than Shares which have been paid up in full) registered under the name of each shareholder for securing the funds due from it or from its property, whether its own debts or jointly with others. Such charge will also apply to the dividends declared from time to time regarding such Shares.

12.2. In order to realize the charge and the lien, the board of directors may sell the Shares to which the charge applies, or any part thereof, in such a manner as it deems fit. No such sale will be made until after written notice of the Company's intent to sell them was given to such shareholder, and the amounts have not been paid within fourteen days following the notice. The net consideration from any such sale, following the payment of the sale's expenses, will be used for retiring the debts or obligations of such shareholder, and the balance (if any) will be paid to it.

12.3. If a sale of Shares was made in order to realize a charge or lien, in *prima facie* use of the powers conferred above, the board of directors may register such Shares in the register of shareholders under the name of the buyer, and the buyer will not be bound to see to the regularity of the proceedings or to the application of the purchase money. After such Shares have been registered in the register of shareholders under the name of the buyer, no person will have a right to impeach the validity of the sale.

13. **Changes to the Share capital**

The general meeting may resolve to take, at any time, any of the following actions, provided that such resolution of the general meeting was adopted by Simple Majority.

13.1. Increase of the registered Share capital

To increase the Company's registered Share capital, whether or not all the Shares then registered have been issued. The increased capital will be divided into Shares having such ordinary rights, preferred rights, deferred rights or other special rights (subject to special rights of an existing class of Shares) or subject to such terms and conditions with respect to a dividend, the return of capital, voting or other terms, as the general meeting has instructed in its resolution to increase the registered capital. All subject to the provisions of Section 46B of the Securities Law, which provides that the capital of a company whose Shares are first being listed for trade on an exchange will comprise one class of Shares.

13.2. Modification of rights

A. At any time when the Share capital is divided into various classes, the Company may, in a resolution adopted at a meeting of the shareholders by Simple Majority, unless otherwise stipulated by the terms of issue of the Shares of such class, modify the rights of a class of the Company's Shares, provided that written consent thereto was obtained from all the shareholders of such class or that the resolution was approved at a general meeting of the shareholders of that class, by Simple Majority or – in the event that the terms of issue of a certain class of the Company's Shares stipulate otherwise – as stipulated in the terms of issue of such class of Shares. All subject to the provisions of Section 46B of the Securities Law, which provides that the capital of a company whose Shares are first being listed for trade on an exchange will comprise one class of Shares.

B. The rights conferred upon the shareholders or the holders of a class of Shares, whether issued with ordinary rights or with deferred rights or with other special rights, will not be deemed to have been modified by the creation or issue of other Shares having the same rights, nor to be a modification of the rights of existing Shares, unless otherwise stipulated by the terms of issue of such Shares.

13.3. Consolidation of the Share capital

To consolidate and redivide its Share capital, all or part thereof, into Shares of a nominal value higher than the one specified in the Articles. In the event that such consolidation results in shareholders the consolidation of whose Shares leaves fractional Shares, the board of directors may, if it obtains the approval of the general meeting therefor in the resolution to consolidate the capital as aforesaid:

A. Sell the total of all fractional Shares, and for such purpose appoint a trustee under whose name the Share certificates containing the fractional Shares will be issued, who will sell them, and the consideration received after deduction of commissions and expenses will be distributed to those entitled to it. The board of directors may decide that shareholders entitled to consideration lower than an amount to be determined by it will not receive consideration from such sale of fractional Shares, and their portion of the consideration will be distributed among the shareholders entitled to consideration exceeding the amount to be determined, in proportion to the consideration to which they are entitled;

B. Issue, to each shareholder regarding whom the consolidation and redivision leave a fractional Share, Shares of the class of Shares preceding the consolidation, paid up in full, in such number as to render their consolidation with the fractional Share sufficient for one whole consolidated Share, and such issue will be deemed to be effective shortly before the consolidation;

C. Determine that shareholders will not be entitled to receive a consolidated Share for a fractional consolidated Share arising from the consolidation of half, or less than half, of the number of Shares the consolidation whereof creates one consolidated Share, and will be entitled to receive one consolidated Share for a fractional consolidated Share arising from the consolidation of more than half of the number of Shares the consolidation whereof creates one consolidated Share.

In the event that an action under the above Paragraphs B or C requires an additional issue of Shares, then the payment therefor will be made in the manner whereby bonus Shares can be paid for. Such consolidation and subdivision will not be deemed to be a modification of the rights of the Shares which are the subject of the consolidation and subdivision.

13.4. Cancellation of unissued registered Share capital

To cancel registered Share capital which has not yet been issued, provided that there is no undertaking of the Company to issue such Shares.

13.5. Splitting of the Share capital

To split the Company's Share capital, all or part thereof, into Shares having a nominal value lower than the one prescribed by the Articles by means of a distribution of the Company's Shares, all or part thereof, at such time.

Chapter Three – General Meetings

14. **Powers of the general meeting**

14.1. Subjects within the scope of the general meeting's power

The Company's resolutions on the following matters will be adopted by the general meeting:

14.1.1. Changes to the Articles or to the memorandum.

14.1.2. Exercise of the board of directors' powers, provided that the general meeting has determined, by Simple Majority of the votes of shareholders who are entitled to vote and who voted, in person or by proxy, that the board of directors is unable to exercise its powers and that the exercise of any of its powers is vital to the Company's proper management.

14.1.3. Approval of actions and transactions which require approval by the general meeting pursuant to the provisions of Sections 255 and 268 through 275 of the Companies Law.

14.1.4. Any resolution which must be adopted under Law or under the Articles by a resolution of a general meeting.

14.1.5. Any power conferred upon the general meeting under Law.

14.2. Power of the general meeting to transfer powers among the organs

The general meeting may, by Simple Majority of the votes of shareholders who are entitled to vote and who voted, in person or by proxy, to take powers given to another organ and to transfer powers given to the general managers to the power of the board of directors, all regarding a specific matter or for a specific period of time.

15. **Annual and special general meetings and class meetings**

15.1. Notice of a general meeting

The Company is not required to give the shareholders notice of a general meeting, except as required under Law.

A notice of a general meeting will specify the place and date of the meeting's convening, its agenda, a summary of the proposed resolutions and all the specification required under Law.

16. **Discussion at general meetings**

16.1. Quorum

The discussion at a general meeting may not be commenced unless a quorum is present at the time of the discussion. Two shareholders who are present in person or by proxy and who hold or represent at least twenty-five percent (25%) of the voting rights in the Company will constitute a quorum. Regarding a quorum, a shareholder or its proxy, who also serves as a proxy for other shareholders, will be deemed to be two or more shareholders, according to the number of shareholders represented by him.

16.2. Adjournment of the general meeting in the absence of a quorum

If half an hour has elapsed from the time fixed for the meeting and the quorum is not present, the meeting will be adjourned to the Business Day following the day of the meeting, to the same time and place, or to such other day, time and place as the board of directors will provide in a notice to the shareholders. The Company will give notice, by means of an immediate report, of the meeting's adjournment and of the date on which the adjourned meeting is to be held.

If a quorum was not present at such adjourned meeting, one shareholder, at least, who is present in person or by proxy, will constitute a quorum, unless the meeting was convened upon requisition of shareholders.

16.3. Chairman of the general meeting

The chairman of the board of directors will preside at every general meeting, and in his absence, it will be presided by one appointed for such purpose by the board of directors. In the absence of a chairman, or if he fails to appear for the meeting after 15 minutes have elapsed from the time fixed for the meeting, the shareholders present at the meeting, in person or by proxy, will choose one of the Company's directors or officers who are present at the meeting to be the chairman, or, if no director or officer is present or if they have all refused to preside at the meeting, they will chose one of the shareholders present, or one of the officers present, to preside at the meeting.

The chairman of the meeting will have no second or casting vote.

17. **Voting of shareholders**

17.1. Majority – Resolutions at the general meeting will be adopted by Simple Majority, unless a different majority is required under Law or under the provisions hereof.

17.2. Certificate of title – A shareholder must provide the Company with a certificate of title at least two Business Days before the date of the general meeting. The Company may waive such requirement.

17.3. Vote of a Legally Incompetent person – A Legally Incompetent person may vote only through a trustee, a natural guardian, or another legal guardian. Such persons may vote in person or by proxy.

17.4. Vote of joint holders of a Share – Where two or more shareholders are joint holders of a Share, one of them will vote, in person or by proxy. If more than one joint holder wishes to participate in the vote, only the first of the joint holders may vote. For such purpose, the first of the joint holders will be deemed to be the person whose name is first listed in the register of shareholders.

17.5. The manner of voting and the counting of the votes will be carried out according to the provisions of the Companies Law. A resolution at a general meeting will be adopted if it has gained the majority required for it under Law or under the provisions hereof.

18. **Appointment of a proxy for voting**

18.1. Vote by proxy

A shareholder may appoint a proxy to participate and vote in its stead, whether at a specific general meeting or at general meetings of the Company in general, provided that a letter of authorization regarding the proxy's appointment was delivered to the Company at least 48 hours before the date of the general meeting, unless the Company has waived such requirement. A proxy need not be a shareholder of the Company.

If the letter of authorization is not for a specific general meeting, then the letter of authorization deposited before one general meeting will be valid for other general meetings following it as well.

The aforesaid will also apply to a shareholder who is a corporation which appoints a person to participate in and vote at the general meeting in its stead.

18.2. Form of letter of authorization

The letter of authorization will be signed by the shareholder or the person authorized for such purpose in Writing, and if the appointor is a corporation, will be signed in a way binding upon the corporation. The Company may require that it be provided with written certification, to its satisfaction, of the signatories' authority to bind upon the corporation. A letter of authorization will be drafted in the form set forth below. The Company's secretary or the Company's board of directors may, at their discretion, accept a letter of authorization in a different form, provided that the changes are not material. The Company will only accept an original letter of authorization or a copy of the letter of authorization, provided that it is certified by a notary or attorney holding an Israeli license.

LETTER OF AUTHORIZATION

To **Date: _____**
[Company's name]
[Company's address]

Dear Sir/Madam,

Re: Annual/Special General Meeting of _____
(the "Company")
to be Held on _____ (the "Meeting")

I the undersigned, _____, ID No. / Registration No. _____, of _____ St., being the registered holder of _____ (*) Ordinary Shares of a nominal value of NIS _____ each, do hereby authorize _____, ID(**) _____ and/or _____, ID _____ and/or _____, ID _____, to participate and vote, in my name and in my stead, at the above-captioned Meeting and at any adjournment of the above-captioned Meeting of the Company / in any general Meeting of the Company, until I notify you otherwise.

Signature

(*) A registered shareholder may grant several letters of authorization, each of which referring to a different quantity of the Company's Shares held by it, provided that it does not grant letters of authorization for a quantity of Shares larger than the quantity held by it.

(**) In the event that the attorney does not have an Israeli ID, the passport number and the passport's country of issue must be specified instead.

18.3. Effect of letter of authorization

A vote pursuant to the letter of authorization will be legal even if the appointor had previously died, or became Legally Incompetent, or became bankrupt, or, if it is a corporation – was wound up, or revoked the letter of authorization, or transferred the Share regarding which it was issued, unless written notice of the occurrence of such event was received at the Company's registered office prior to the meeting.

18.4. Disqualification of letters of authorization

Subject to the provisions of any Law, the Company's secretary may, at his discretion, disqualify letters of authorization if there is reasonable concern that such letters are forged or that they were issued by virtue of Shares granted by virtue of other letters of authorization.

18.5. Vote by proxy statement –

Pursuant hereto and to the provisions of the Companies Law and the regulations promulgated thereunder, the Company's shareholders are given the option of voting at general meetings of the Company, on all subjects required under Law and on such subjects as to which the Company's board of directors decides from time to time to allow voting by means of proxy statements.

Chapter Four – The Board of Directors

19. **Appointment and termination of directors**

19.1. Number of directors – The number of directors in the Company will be no less than five (5) and no more than eleven (11), unless the general meeting resolves otherwise.

19.2. Appointment of directors at a special meeting – A special meeting of the Company may appoint directors to the Company in place of directors whose term of office has been terminated, as well as in any event that the number of the board of directors' members has fallen below the minimum prescribed by the Articles or by the general meeting. Such appointment will be effective up to the next following annual meeting, unless the decision to appoint provides otherwise.

19.3. Appointment of directors by the board of directors – The board of directors has the right, at any time, to appoint any person as a director subject to the maximum number of directors prescribed hereby, whether for the purpose of filling a seat vacated by chance or as an addition to the board of directors, and to terminate such person's term of office. Any director so appointed will serve until the next following annual meeting and may be reelected, unless his term of office has been terminated by the board of directors or by the general meeting.

19.4. Effect of appointment – The elected directors will take office starting from the end of the general meeting at which they were elected on from the date of their appointment by the board of directors as provided in the above Section 19.3, as applicable, unless a later date is provided by the decision to appoint them.

19.5. Alternate director – A director may from time to time appoint an alternate director for himself (hereinafter: "**Alternate Director**"), dismiss such Alternate Director, and appoint another Alternate Director in place of any Alternate Director whose office has been vacated for any reason whatsoever, whether for a specific meeting or permanently.

19.6. Director's proxy – Any director and any Alternate Director may appoint an attorney to participate in, and vote at, any meeting of the board of directors or a committee of the board of directors in their stead. Such appointment may be general, or for the purpose of one meeting or several meetings. If a director or an Alternate Director is present at such meeting, the attorney may not vote in place of the director who appointed him. Such appointment will be effective according to the provision thereof or until it is revoked by the giver thereof. A director or Alternate Director of the Company may serve as such an attorney.

19.7. Implications of the termination of a director's office on the board of directors' operation – In the event that a director's seat is vacated, the remaining directors may continue acting as long as the number of the remaining directors does not fall below the minimum number of directors prescribed by the Articles or by the general meeting. In the event that the number of directors falls below the aforesaid, the remaining directors may only act to call a general meeting of the Company.

19.8. Holding of a meeting using means of communication or without convening – At a meeting held by using any means of communication or without convening, it will suffice that all the directors entitled to participate in the discussion and the vote will participate in the meeting or sign the decision.

20. **Chairman of the board of directors**

20.1. Appointment – The board of directors will choose one of its members to serve as chairman of the board of directors, and will determine, in the decision to appoint, the term of his office. If the decision to appoint does not provide otherwise, the chairman of the board will serve until another is appointed in his stead or until he ceases to serve as a director, whichever is earlier. If the chairman of the board of directors ceases to serve as a director in the Company, the board of directors will choose a new chairman at the first following meeting of the board of directors.

20.2. No casting vote – If the votes on a decision at the board of directors are tied, the chairman of the board of directors or one chosen to conduct the meeting will not have a second vote.

21. **Actions of the directors**

21.1. Convening of a meeting of the board of directors

Any notice of a meeting of the board of directors may be given verbally or in Writing, provided that the notice is given at least three Business Days before the date scheduled for the meeting, unless all members of the board of directors or their alternates have agreed to shorten such time.

Such notice will be given in Writing, by facsimile, by electronic mail or by another means of communication, all to such address or facsimile number, electronic mail address or address for the delivery of notices by other means of communication, as applicable, as was provided to the Company by the director upon his appointment, or by written notice to the Company thereafter.

If an alternate or a proxy has been appointed, the notice will be given to the alternate or the proxy, unless the director has given notice that he wishes to be served with the notice himself.

21.2. Quorum – The quorum for meetings will be a majority of the members of the board of directors who are not prevented under Law from participating in the meeting, or any such other quorum as the board of directors, by a majority of its members, will from time to time provide.

21.3. Validity of directors' actions in the event of a disqualified director – All actions taken in good faith at a meeting of the board of directors or by a committee of the board of directors or by any person acting as a director will, even if it is afterward discovered that there was a defect in the appointment of such director or such person acting as aforesaid, or that they or one of them were disqualified, be as valid as if every such person was duly appointed and was qualified to be a director.

21.4. Committees of the board of directors

Subject to the provisions of the Companies Law, the board of directors may appoint committees of the board of directors.

The committees of the board of directors will regularly report to the board of directors of their decisions or recommendations according to the board of directors' determination. The board of directors may revoke a decision made by a committee instructed by it, but such revocation will not impair the effect of any decision made by a committee upon which the Company has acted toward another person, who was not aware of the revocation thereof.

22. **Validity of actions and approval of transactions**

22.1. Subject to the provisions of any law, all actions taken by the board of directors, or by a committee of the board of directors, or by any person acting as a director, or as a member of a committee of the board of directors, or by the CEO, as applicable, will be valid even if it is afterward discovered that there was any defect in the appointment of the board of directors, the committee of the board of directors, the director who is a member of the committee or the CEO, as applicable, or that any of such officers was disqualified from serving in office.

22.2. Subject to the provisions of the Companies Law:

22.2.1. Holding Shares in the Company, and being an officer of the Company, an interested party or an officer of any other corporation, including a corporation wherein the Company is an interested party, or being a shareholder of the Company, will not disqualify the officer from serving as an officer of the Company. Furthermore, an officer will not be disqualified from serving as an officer of the Company due to his engagement, or due to the engagement of any such corporation in an agreement with the Company on any matter whatsoever and in any way whatsoever.

22.2.2. A person's tenure in office as an officer of the Company will not disqualify him and/or his relative and/or another corporation wherein he is an interested party from entering into transactions with the Company wherein the officer is personally interest in any way whatsoever.

22.2.3. An officer may participate in, and vote at, discussions regarding the approval of transactions or actions in which they have a personal interest.

22.3. Subject to the provisions of the Companies Law, a transaction of the Company with an officer thereof or with a controlling shareholder thereof or a transaction of the Company with another person in which the officer of the Company or the controlling shareholder of the Company has a personal interest and which is not an exceptional transaction will be approved as follows:

22.3.1. Such engagement in a non-exceptional transaction will be approved by the board of directors or by the Audit Committee, or by an officer of the Company who is not personally interested in the transaction (provided that such officer does not approve engagements concerned with the officers' terms of office and employment).

22.3.2. Approval of non-exceptional transactions as aforesaid may be carried out either by issuing a general approval of a specific type of transactions or by approving a specific transaction.

22.4. Subject to the provisions of the Companies Law, a general notice given to the board of directors by an officer or a controlling shareholder of the Company regarding its personal interest in a certain entity, specifying its personal interest, will constitute disclosure by the officer or controlling shareholder, to the Company, of such personal interest, for the purpose of any engagement with such entity in a non-exceptional transaction.

Chapter Five – Officers, Secretary, Controller and Auditor

23. **General manager**

23.1. The board of directors may, from time to time, appoint a general manager to the Company, and it may appoint more than one general manager. The board of directors may also dismiss or replace the general manager at any time it deems fit, subject to the provisions of any contract between him and the Company. The general manager will be responsible for the day-to-day management of the Company's affairs within the scope of the policy enacted by the board of directors and subject to its instructions.

23.2. The general manager will have all the managerial and executive powers conferred upon him by the Law or hereby or by virtue thereof to another organ of the Company, other than such powers which have been transferred from him to the board of directors. The general manager will be subject to the board of directors' supervision.

23.3. The general manager may, with the approval of the board of directors, delegate any of his powers to another who is subordinated to him. The approval may be general and in advance.

23.4. Without prejudice to the provisions of the Companies Law and of any Law, the general manager will submit reports to the board of directors on such subjects, on such dates and in such scope as the board of directors will determine, whether in a specific decision or in the board of directors' procedures.

23.5. The general manager will notify the chairman of the board of directors, without delay, of any exceptional matter which is material to the Company. If the Company has no chairman of the board of directors or if he is unable to carry out his duties, the general manager will notify all the members of the board of directors thereof.

23.6. The general manger may from time to time appoint officers to the Company (other than directors and a general manager) for such permanent, temporary and special duties as the general manager may deem fit, and the general manager may also terminate the services of one or more of the persons mentioned above at any time.

24. **Controller**

24.1. The Company's board of directors will appoint a controller, according to the proposal of the Audit Committee.

24.2. The controller's organizational supervisor will be the chairman of the board of directors.

24.3. The controller will submit to the Audit Committee, for its approval, a proposed annual or periodic workplan, and the Audit Committee will approve it with such modifications as it deems fit.

25. **Secretary**

The board of directors may appoint a secretary for the Company, on such terms as it deems fit, and may appoint an undersecretary and determine their duties and powers. If no secretary has been appointed for the Company, the general manager, or one authorized by him for such purpose, and in the absence of a CEO, one authorized for such purpose by the board of directors, will carry out the duties prescribed for the secretary under any Law, hereunder and pursuant to the decision of the board of directors. The Company's secretary will be responsible for all the documents kept at the Company's registered office, and will administer the registers maintained by the Company under Law.

26. **Auditor**

26.1. Subject to the provisions of the Companies Law, the general meeting may appoint an auditor for a period exceeding one year, as will be determined by the general meeting.

26.2. The board of directors will fix the fee of the Company's auditor for an auditing action, as well as its fee for additional services other than an audit action, unless the Company's general meeting has determined otherwise.

Chapter Six – Reservation and Distribution of the Company's Capital

27. **Distribution and issue of dividend and bonus Shares**

A decision of the Company regarding the distribution of a dividend, bonus Shares or any other distribution, including a distribution which does not meet the record profit criterion prescribed by the Companies Law, and the terms thereof, will be adopted by the Company's board of directors.

28. **Dividend and bonus Shares**

28.1. Right to a dividend or to bonus Shares

28.1.1. A dividend or bonus Shares will be distributed to one who will be registered in the Company's register of shareholders on the date of the decision to distribute or on such other date as such decision provides.

28.2. Payment of the dividend

28.2.1. The board of directors may decide that the dividend will be paid, all or part thereof, in cash, or by way of an *in specie* distribution of assets, including Securities or in any other way, at its discretion.

The board of directors may, before deciding to distribute a dividend, set aside any amounts out of the profits, as it deems fit, to a general fund or to a reserve fund for the distribution of a dividend, for the distribution of bonus Shares or for any other purpose, as the board of directors will determine at its discretion.

Until application is made of such funds, the board of directors may invest the amounts so set aside and the amounts of the funds in any investment whatsoever, as it deems fit, may deal with such investments, modify them or otherwise apply them, and may divide the reserve fund into special funds and apply any fund or part thereof for the purpose of the Company's business, without holding it separately from the Company's other assets, all at the board of directors' discretion and under such terms as it will provide.

28.2.2. Mechanics of payment

If no other instructions have been issued in the decision to distribute the dividend, any dividend may be paid after deduction of the tax required under any law by means of a payee-only cheque, to be delivered by registered mail according to the registered address of the shareholder entitled thereto or by wire transfer. Any such cheque will be made payable to the order of the person to whom it is sent. An *in-specie* dividend will be distributed according to the manner prescribed by the decision to distribute.

In the event of registered joint holders, the cheque will be sent to the shareholder whose name is first listed in the register of shareholders regarding the joint holding.

The sending of the cheque to a person whose name is on the record date listed in the register of shareholders as the holder of a Share, or, in the event of joint holders – of one of the joint holders, will constitute a release regarding all the payments made in connection with such Share.

The Company may decide that no cheque will be sent below a certain amount, and the dividend amounts which should have been so payable will be treated as an unclaimed dividend.

The Company may offset, from the amount of the dividend to which a shareholder is entitled, any debt of the shareholder to the Company, whether or not the date for its repayment has arrived.

28.2.3. Unclaimed dividend

The board of directors may invest any dividend amount not claimed for one year after having been declared, or otherwise apply it to the benefit of the Company, until it is claimed. The Company will not be required to pay interest or linkage for an unclaimed dividend.

After a year has elapsed from the date of payment of any unclaimed dividend, the Company may use such unclaimed dividend for any purpose whatsoever, and the shareholder entitled to such unclaimed dividend will have no claim and/or suit in connection therewith.

28.3. Manner of capitalization of profits into funds and distribution of bonus Shares

28.3.1. Funds

The board of directors may, at its discretion, set aside to special capital funds any amount whatsoever out of the Company's profits, or from the revaluation of its assets, or its proportionate part in the revaluation of the assets of the companies affiliated thereto, and may designate the purpose of such funds. The board of directors may also cancel such funds.

28.3.2. Distribution of bonus Shares – Subject to the provisions of the Companies Law, the board of directors may decide to issue bonus Shares and turn into Share capital part of the Company's profits, within the meaning of Section 302(B) of the Companies Law, from a premium on Shares or from any other source included in its equity, which are referred to in its latest financial statement, in such amount as the board of directors will determine and which will not be lower than the nominal value of the bonus Shares.

Issued bonus Shares will be deemed paid up in full.

The board of directors, when deciding to issue bonus Shares, may decide that the Company will transfer, to a special fund designated for the distribution of bonus Shares in the future, such amount as, when turned into Share capital, would be sufficient in order to issue to a person who will, at that time, for any reason whatsoever have a right to purchase Shares of the Company (including a right exercisable only at a later date), such bonus Shares as that person would have been due had he utilized the right to purchase the Shares on the eve of the record date for the right to receive the bonus Shares (hereinafter in this section: the "**Record Date**"). If, following the Record Date, the holder of said right utilizes his right to purchase the Shares or some thereof, the Company will issue him bonus Shares having a nominal value which he would have been due had he utilized, on the eve of the Record Date, the right to purchase the Shares actually purchased by him. The bonus Shares will entitle the holders thereof to participate in the distribution of dividends starting from such date as the board of directors will determine. Regarding the determination of the amount to be transferred to the aforesaid special fund, any amount transferred to such fund for previous distributions of bonus Shares will be treated as though it has already been capitalized and as though Shares have already been issued therefrom entitling the holders of the right to purchase Shares to bonus Shares.

In order to distribute bonus Shares, the board of directors may settle, as it deems fit, any difficulty which may arise, and may make adjustments, including deciding that no fractional Shares will be distributed, issuing certificates for an aggregate quantity of fractional Shares, selling the fractional Shares and paying the consideration thereof to those entitled to receive the bonus fractional Shares, and deciding that cash payments will be made to the shareholders, or that fractions whose value is lower than an amount to be determined (and, if no such amount is determined, then whose amount is lower than NIS 50) will not be taken into account for the purpose of making such adjustments.

29. **Purchase of Company's Shares**

The Company may purchase its own Securities. If the Company has purchased such Securities, it may cancel them.

Chapter Seven – Exemption, Indemnification and Insurance of Officers

30. **Exemption of officers**

The Company may exempt, in advance and retroactively, an officer thereof of its liability, all or part thereof, for damage due to breach of a duty of care toward it, to the fullest extent permitted under any Law.

31. **Indemnification of officers**

The Company may indemnify officers thereof to the fullest extent permitted under any Law. Without derogating from the generality of the foregoing, the following provisions will apply:

31.1. The Company may indemnify an officer thereof for liability or an expense imposed on him or expended by him due to an action committed by him by virtue of his being an officer thereof, as follows:

A. Financial liability imposed on him in favor of another person according to a judgment, including a judgment issued in settlement or an arbitrator's award approved by a court.

B. Reasonable litigation expenses, including attorney's fees, expended by the officer due to an investigation or proceeding conducted against him by an authority competent to conduct an investigation or proceeding, and which ended without the filing of an indictment against him and without a financial liability being imposed on him in lieu of a criminal proceeding, or which ended without the filing of an indictment against him but with the imposition of a financial liability in lieu of a criminal proceeding in an offense which does not require proof of criminal thought.

C. Reasonable litigation expenses, including attorney's fees, expended by the officer, or with which the officer has been charged by a court, in a proceeding filed against him by the Company or on its behalf or by another person, or in a criminal charge from which he has been acquitted, or in a criminal charge of which he has been convicted of an offense which does not require proof of criminal thought.

D. Any other liability or expense by reason whereof it is, or will be, permitted under Law to indemnify an officer.

31.2. Indemnification in advance

The Company may undertake in advance to indemnify an officer thereof for liability or an expense as set forth in the above Section 31.1 A., provided that an undertaking to indemnify in advance will be limited to such incidents as, in the opinion of the board of directors, are foreseen in light of the Company's actual operations at the time that the undertaking to indemnify is given, and to such amount or criterion that the board of directors has determined to be reasonable under the circumstances, and that the undertaking to indemnify will specify the incidents which, in the opinion of the board of directors, are foreseen in light of the Company's actual operations at the time that the undertaking to indemnify is given, as well as the amount or criterion which the board of directors has determined to be reasonable under the circumstances. The Company may also undertake in advance to indemnify an officer thereof for liabilities or an expense as set forth in the above Sections 31.1 B and 31.1 C.

31.3. Retroactive indemnification

The Company may retroactively indemnify an officer thereof.

32. **Insurance of officers**

32.1. The Company may insure officers thereof to the fullest extent permitted under any Law. Without derogating from the generality of the aforesaid, the Company may engage in a contract to insure the liability of an officer of the Company for liability imposed on him due to an action committed by him by virtue of his being an officer thereof, in any of the following:

A. Breach of a duty of care toward the Company or toward another person;

B. Breach of a duty of trust toward the Company, provided that the officer acted in good faith and had reasonable grounds to assume that the action will not harm the Company's interest;

C. A financial liability imposed on him in favor of another person.

D. Any other incident by reason whereof it is, or will be, permitted under Law to insure an officer's liability.

33. **Exemption, indemnification and insurance – general**

33.1. The above provisions regarding exemption, indemnification and insurance are not intended to, and will not, restrict the Company in any way on entering into a contract regarding the exemption, insurance or indemnification of the following:

33.1.1. Those who are not officers of the Company, including employees, contractors or consultants of the Company, who are not officers thereof;

33.1.2. Officers of other companies. The Company may enter into a contract regarding the exemption, indemnification and insurance of officers of companies controlled by it, Related Companies or other companies wherein it has any interest, to the fullest extent permitted under any Law, and the above provisions regarding the exemption, indemnification and insurance of officers of the Company will apply, *mutatis mutandis*, in this regard.

33.2. It is clarified that in this chapter, an obligation regarding exemption, indemnification and insurance may be effective even after the officer has ceased serving in the Company.

Chapter Eight – Merger, Winding Up and Reorganization of the Company

34. **Merger**

The majority required for the approval of a merger by the general meeting or by a class meeting will be a Simple Majority.

35. **Winding up**

35.1. If the Company is wound up, whether voluntarily or otherwise, the liquidator may, with the approval of a general meeting, distribute parts of the Company's property *in-specie* among the shareholders, and he may, with similar approval, deposit any part of the Company's property with trustees for the shareholders as the liquidator, with the aforementioned approval, deems fit.

35.2. Subject to special rights of Shares, if Shares were issued with special rights, the Company's Shares have equal rights among them with respect to the capital amounts paid, or credited as paid, for the nominal value of the Shares, in all that relates to the return of capital and to participation in the distribution of the Company's surplus assets in winding up.

36. **Company reorganization**

36.1. On selling property of the Company, the board of directors, or the liquidators (in the event of winding up), may, if authorized to do so by a resolution adopted by the Company's general meeting by Simple Majority, receive Shares paid up in full or in part, debentures or Securities of another company, Israeli or foreign, whether incorporated or about to incorporate for the purpose of buying the Company's property or part thereof, and the directors (if the Company's profits so permit) or the liquidators (in the event of winding up) may distribute the aforementioned Shares or Securities, or any other property of the Company, among the shareholders without realizing them or depositing them with trustees for the shareholders.

36.2. The general meeting may, by a resolution adopted by the Company's general meeting by Simple Majority, resolve to valuate the Securities or the property referred to above at such price and in such manner as the general meeting will resolve, and all shareholders will be bound to accept any valuation or distribution permitted as aforesaid and waive their rights in that regard, other than, in the event that the Company is about to be wound up or is in the process of winding up, such legal rights (if any) that under the provisions of Law may not be modified or qualified.

Chapter Nine – Notices

37. **Notices**

37.1. Notice or any other document may be given by the Company to any shareholder listed in the Company's register of shareholders, in person or by sending it by registered mail, addressed to such shareholder's address as listed in the register of shareholders or according to such address as the shareholder provided to the Company in Writing as an address for delivery of notices or by publishing advertisements in two newspapers in Israel.

37.2. All notices required to be given to the shareholders will be given, with respect to Shares owned jointly, to the person whose name is first listed in the register of shareholders, and any notice so given will be sufficient notice to all joint shareholders.

37.3. Any notice or other document delivered or sent to a shareholder pursuant hereto will be deemed to have been duly delivered and sent regarding all the Shares held by it (whether regarding Shares held by it alone or by it jointly with others), even if such shareholder is then dead, or has become bankrupt, or has been issued an order for its liquidation, or a trustee or liquidator or receiver has been appointed over his Shares (whether or not the Company was aware thereof), until another person is registered in the register of shareholders in his stead as the holder thereof, and the delivery or sending of such document will be deemed to be sufficient delivery or sending to any person who has a right in such Shares.

37.4. Any notice or other document sent by the Company by mail according to an address in Israel will be deemed to have been delivered within 48 hours of the day on which the letter containing the notice or document was posted, or within 96 hours if the address is outside Israel, and when one seeks to prove the delivery, it will be sufficient to prove that the letter containing the notice or document was properly addressed and was posted at the post office.

37.5. The Company is not required to give the shareholders notice of a general meeting, except to the extent required under Law. The notice of a general meeting will specify the place and date of the meeting's convening, its agenda, a summary of the proposed resolutions and any specification required under Law.

37.6. Accidental omission to give notice of a general meeting to any shareholder or the failure of any shareholder to receive a notice of a meeting or another notice will not cause the revocation of a resolution adopted at such meeting or the revocation of proceedings based on such notice.

37.7. Any shareholder and any member of the board of directors may waive its right to receive notice or its right to receive notice at a specific time, and may agree that a general meeting of the Company or a meeting of the board of directors, as applicable, will be convened and held despite not having received notice thereof, or despite not having received the notice during the time required.

* * *

Exhibit 5.1

Sullivan Tel Aviv (Har-Even & Co.)
28 HaArba'a St. HaArba'a Towers
North Tower, 35th Floor
Tel-Aviv, Israel

+972-747580480
sullivanlaw.com
558414108

August 9, 2021

To:
IceCure Medical Ltd.
7 Ha'Eshel St., PO Box 3163
Caesarea, 3079504 Israel

Re: **Registration Statement on Form F-1**

Ladies and Gentlemen:

We have acted as Israeli counsel to IceCure Medical Ltd. (the "**Company**"), an Israeli company, in connection with the filing by the Company of a registration statement on Form F-1 (the "**Registration Statement**") with the Securities and Exchange Commission, relating to the resale by the selling shareholders identified in the Registration Statement, of up to 11,485,697 ordinary shares, no par value, of the Company (the "**Ordinary Shares**").

In connection with this opinion, we have examined the originals, or photocopies or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement, to which this opinion is filed as an exhibit, (ii) a copy of the Company's articles of association, (iii) resolutions of the Company's Board of Directors which have heretofore been approved and relate to the Registration Statement and the actions to be taken in connection with the offering of the Ordinary Shares by the Company, and (iv) such statutes, regulations, corporate records, documents, certificates and such other instruments that we have deemed relevant and necessary for the basis of our opinions hereinafter expressed. In such examination, we have assumed: (i) the authenticity of original documents and the genuineness of all signatures; (ii) the conformity to the originals of all documents submitted to us as copies; (iii) the truth, accuracy and completeness of the information, representations and warranties contained in the corporate records, documents, certificates and instruments we have reviewed; (iv) the due execution and delivery of all documents where due execution and delivery are a prerequisite to the effectiveness thereof; and (v) the legal capacity of all natural persons.

We are members of the Israel Bar and we express no opinion as to any matter relating to the laws of any jurisdiction other than the laws of the State of Israel and have not, for the purpose of giving this opinion, made any investigation of the laws of any other jurisdiction than the State of Israel.

Based upon and subject to the foregoing, we are of the opinion that the Ordinary Shares are validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Company's Registration Statement and to the use of our name wherever it appears in the Registration Statement. In giving such consent, we do not believe that we are "experts" within the meaning of such term as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission issued thereunder with respect to any part of the Registration Statement, including this opinion as an exhibit or otherwise.

Very truly yours,

/s/ *Sullivan & Worcester Tel-Aviv (Har-Even & Co.)*
Sullivan & Worcester Tel-Aviv (Har-Even & Co.)

Exhibit 10.1

IceCure Medical Ltd.

DD.MM.YYYY

To Mr.

To Whom It May Concern:

Letter of Exemption and Indemnity

Whereas In accordance with its articles of association, the Company may exempt in advance an officer therein from liability, in whole or in part, due to damage following a breach of a duty of care towards it, and may indemnify it in advance and/or retroactively, subject to any law, due to a liability or expense as set forth in the articles of association, imposed thereon or incurred following an action performed by virtue of being an officer of the Company; and

Whereas On December 29, 2010, and October 30, 2011, the Company's board of directors resolved, after obtaining the approval of the Company's audit committee, to approve the Company's undertaking to exempt and indemnify officers of the Company in accordance with the Companies Law, 5759-1999, the articles of association of the Company and the indemnification terms set forth in this Letter of Exemption and Indemnity; and

Whereas On January 10, 2011, and January 29, 2012, the general meeting of the Company also approved the aforesaid resolution of the board of directors regarding the directors of the Company,

Whereas On **MMM.DD.YYYY** you were appointed as an officer of the company (hereinafter: "the date of commencement of the appointment"), and therefore the above letter of exemption and indemnification is valid from the date of the commencement of the appointment;

We hereby notify you as follows:

First Chapter: Interpretation

1. Definitions

In this Letter of Exemption and Indemnity, each of the following terms will have the meanings appearing beside them, unless explicitly stated otherwise.

"Means of Control"	-	As defined in the Companies Law;
"Financial Liability in Lieu of a Criminal Proceeding"	-	Financial liability imposed under law in lieu of a criminal proceeding, including an administrative fine under the Administrative Offenses Law, 5746-1985, a fine of an offense determined to be an infraction under the provisions of the Criminal Procedure Law, a financial sanction or a penalty;
The "Companies Law"	-	The Companies Law, 5759-1999;
The "Securities Law"	-	The Securities Law, 5728-1968;
The "Criminal Procedure Law"	-	The Criminal Procedure Law [Combined Version], 5742-1982;
"Distribution"	-	As defined in the Companies Law;
"This Letter"	-	This Letter of Exemption and Indemnity, including the addendum thereto, constituting an integral part hereof;

"Conclusion of Proceedings Without Filing an Indictment in a Manner in which a Criminal Investigation was Initiated"	-	Closing the case under Section 62 of the Criminal Procedure Law or a stay of proceedings by the Attorney General under Section 231 of the Criminal Procedure Law;
"**Act**" or "**Act in the Capacity of Officer**"	-	A legal act, whether by action or omission, of an officer by virtue of the position as officer of the Company including an action as stated that occurred before this Letter of Exemption and Indemnity came into force;
"Third Party"	-	A person who is not the Company and/or a shareholder of the Company and/or a person on their behalf.
"Related Corporation"	-	A corporation in which the Company directly or indirectly holds means of control.

2. Interpretation

2.1. The introduction to this Letter of Exemption and Indemnity constitutes an integral part hereof.

2.2. The titles of this Letter of Exemption and Indemnity are provided for convenience only and will not be used for the purposes of its interpretation.

2.3. Words and terms defined in the singular form will also include the plural, and vice versa, and words in the masculine form will include the feminine and vice versa.

2.4. Insofar as not defined explicitly in this Letter, the terms in this Letter will be interpreted in accordance with the Companies Law, and in the absence of a definition in the Companies Law, in accordance with the Securities Law.

2.5. The Company's undertakings under this Document will be interpreted broadly and in a manner intended for their fulfillment, to the fullest extent permitted by law, for the purpose for which they are intended.

2.6. In the case of a conflict between any provision of this Document and the provisions of the law that cannot be conditioned upon, changed or added to, the provisions of the aforesaid law will prevail; however, the same will not nullify or impair the validity of the other sections included in this Letter. In addition, in the event that it is determined that a provision of this Document is not enforceable and/or lacks legal validity for any reason, the same will not derogate or detract from the validity of the other provisions of this Document.

Second Chapter: Exemption

3. Exemption in Advance

Subject to the provisions of any law, the Company hereby exempts you in advance from any liability for damage that will be caused thereto, directly and/or indirectly, following a violation of your duty of care towards it in your actions by virtue of your position as officer that is directly or indirectly related to one or more of the events set forth in the addendum to this Letter (the "**Addendum**").

It is noted that the exemption as stated will not apply to a decision or transaction in which the controlling shareholder or any officer of the Company (also an officer other than the one for which the Letter of Exemption was granted) has a personal interest.

Without detracting from the generality of the above, it is hereby clarified that as long as this is not permitted under law, the Company does not exempt you in advance from your liability towards it following a breach of the duty of care in a distribution, if applicable to you, if at all.

4. Independence of exemption in advance from indemnification

The Company's undertaking to exempt you in advance (as set forth in Section 3 above) will not detract from the Company's liability to indemnify you in accordance with this document.

5. De Facto Exemption

If permitted under any law, the Company will exempt you from any liability for damage that will be caused thereto, directly and/or indirectly, following a violation of your duty of care towards it in your actions by virtue of your position as officer before the entry into force of this Letter of Exemption and Indemnity, provided that your actions as stated are directly or indirectly related to one or more of the events set forth in the addendum.

Third Chapter: Indemnification

6. Indemnification in advance - general

6.1. Subject to the provisions of any law, the Company hereby undertakes to indemnify you in advance due to a liability or expense as set forth in Section 7 below, applied to you or incurred by you following actions that you performed by virtue of your position as officer of the Company, insofar as the liability or expense is not actually paid under an insurance policy or under indemnification on behalf of a third party, provided that the Maximum Indemnification Amount does not exceed the amount set forth in Section below.

6.2. Subject to the contents of this Section 8.3 below, it is hereby clarified that the Company's undertaking to indemnify you in advance as stated in Section 6.1 of this Letter above will not derogate from your right to receive, directly or through the Company, payments under any insurance policy or under indemnification on behalf of a third party, insofar as you are entitled to payments as stated for liability or an expense set forth in Section 7 of this Letter below.

The Company's undertaking to indemnify you in advance as stated in Section 6.1of this Letter above, is conditional on you taking all of the reasonable measures to receive payments under an insurance policy or under an indemnification undertaking and insurance on behalf of an affiliated corporation for your service as an officer of this corporation, if you are entitled to such payments, and they can be claimed under the circumstances.

For the avoidance of doubt, it will be clarified that the Company's undertaking to indemnify you will only apply regarding the balance of your liability after exhausting your rights for insurance and indemnification in an affiliated corporation for your service in an affiliated corporation and after the exhaustion of your rights to officer's insurance of the Company.

6.3. In the case in which your incurred a deducible in order to receive payments under an insurance policy, the Company's undertaking to indemnify you in advance as stated in Section 6.1 of this Letter above will also apply regarding the deductible amount that is charged under the insurance policy.

6.4. The Company's undertaking to indemnify you in advance as stated in Section 6.1 of this Letter does not grant a right or benefit to a related corporation and/or any third party, including any insurer, and it is not assignable and no insurer will have any right to demand the participation of the Company in a payment that it owes to the insurer under an insurance agreement made therewith.

7. Liabilities or expenses to which the indemnification in advance applies

The Company's undertaking to indemnify you in advance, as stated in Section 6 above, will apply due to a liability or expense that is applied to you or that you incurred, as follows:

7.1. Financial liability imposed on your in favor of a different person in a judgment, including a judgment given in a settlement or an arbitrator decision that is approved by a court, following actions that you performed by virtue of your position as an officer, which are directly or indirectly related to one or more of the events set forth in the Addendum to this Letter (the "**Addendum**") that, in the opinion of the Company's board of directors, are anticipated in light of the actual activity of the Company upon the provision of the undertaking for indemnification in advance, provided that the maximum indemnification amount will not exceed the sum or criteria set forth in Section 8.1 below, which the Company's board of directors has determined to be reasonable under the circumstances;

7.2. Reasonable litigation expenses, including attorneys' fees, paid following an investigation or proceeding conducted against you by an agency authorized to conduct such investigation or proceeding, and which was concluded without the filing of an indictment against you and without there having been a financial obligation imposed against you in lieu of a criminal proceeding, or which was concluded without the filing of an indictment against you but with the imposition of a financial obligation in lieu of a criminal proceeding for an offense that does not require proof of criminal intent, provided that the maximum indemnification amount will not exceed the amount or criteria set forth in Section 8.1 below that the Company's board of directors has determined to be reasonable under the circumstances;

7.3. Reasonable litigation expenses, including attorneys' fees, incurred by you or that you are charged by a court in a proceeding filed against you by the Company or in its name or by another person, or in a criminal charge of which you are acquitted or a criminal charge in which you are convicted of an offense that does not require proof of *mens rea*, provided that the maximum indemnification amount does not exceed the amount or criteria set forth in Section 8.1 below that the Company's board of directors has determined to be reasonable under the circumstances of the matter.

8. Amount of the indemnification in advance

8.1. The amounts that the Company will pay to all of the officers, in the aggregate, in each calendar year, based on every Letters of Exemption and Indemnification issued and/or that will be issued to them by the Company for financial liabilities and reasonable litigation expenses as set forth in Sections 7.1 – 7.3 above, will not exceed 25% (twenty five percent) of the consolidated equity of the Company as will be based on the latest consolidated annual financial statements of the Company, which existed as of the actual payment date of the indemnification (the "**Maximum Indemnification Amount**"). It will be clarified that the Company's board of directors has determined that the Maximum Indemnification Amount, as defined in this Letter above, is reasonable under the circumstances.

8.2. In the event that the total amounts that the Company is required to pay on any date, in addition to the total amounts that the Company paid by the same date, for financial liabilities and reasonable litigation expenses as set forth in Sections 7.1 – 7.3 above, according to all of the Letters of Exemption and Indemnity issued and/or that will be issued for all of the officers in the aggregate, exceeds the Maximum Indemnification Amount, the Maximum Indemnification Amount or its balance, as applicable, will be divided between the officers entitled to amounts as stated for demands submitted to the Company in accordance with the Letters of Indemnification and that were not paid to them before the same date, such that the amount that will be actually received by each of the aforesaid officers will be calculated based on the ratio between the amount owed to each of the officers and the amount owed to all of the aforesaid officers in the aggregate, on the same date for the same demands. Should it become apparent at a later date that amounts have been cleared that the Company is required to pay, either due to the provisions of Section 10 below or due to the clearance of claims against officers without the need to pay all of the amounts requested by the officer or part thereof for them, the balance of the indemnification amount will be increased in the amount of the cleared sums, and all of the officers that received only their proportionate share as stated above will be entitled to their proportionate share, pro rata, of the cleared amounts.

In order to clarify the manner of calculation set forth in this Section 8.2, the following example is presented: Let us assume that damages are ordered against an officer in the amount of 100. These damages are indemnifiable, and therefore, the officer requests indemnification from the Company for the same damages. Let us further assume that the Maximum Indemnification Amount is 25% of the Company's consolidated equity, which according to the Company's latest consolidated annual financial statements, which were prepared before the actual indemnification payment, was 1,000. Therefore, the Maximum Indemnification Amount, as of the payment date of the indemnification in the amount of 100 to Officer A, is 250. Therefore, after payment of indemnification in the amount of 100 to Officer A, and until the preparation of the new consolidated annual financial statements, the indemnification balance amounts to 150. On a later date, and before new consolidated annual reports are prepared, officers B, C, and D were sued, and request indemnification from the Company in amounts of 100, 200, and 300, respectively. In such a case, since the indemnification amount claimed on the later date (600) is higher than the indemnification amount on a later date (150), the balance will be distributed proportionately between the officers in the following manner: Officer B will receive 150*100/600, Officer C will receive 150*200/600, and Officer D will receive 150*300/600. In the event that after the aforesaid payment, and before the new consolidated financial statements are prepared for the Company, it becomes apparent that Officer A was not entitled to indemnification, an amount of 100 will be available and will be returned to the general indemnification fund. The cleared amount (100) will be divided proportionately between Officers B, C, and D, such that B will be paid an additional sum of 100*100/600, C will be paid an additional amount of 100*200/600, and D will be paid an additional amount of 100*300/600.

8.3. In any case, the indemnification amount paid to you by the Company, together with the amounts paid to you within an insurance policy and/or under an undertaking for indemnification of any third party, will not exceed the financial liability amount and/or expenses as stated in Section 7 above that you bore or are charged. In this regard the deductible amounts under an insurance policy, if any are determined, will be calculated as amounts that were not actually paid to you. In the event that the Company pays you or in your place amounts that you are entitled to receive under an insurance policy and/or under any third party indemnification undertaking, you will assign to the Company your rights to receive the amounts under the insurance policy or the third party indemnification undertaking, insofar as there is no impediment to the assignment of the same rights, and you will authorize the Company to collect these amounts in your name, if required for the fulfillment of the provisions of this section, and at the request of the Company, you will sign any document for the assignment of your rights and authorizing the Company for the aforesaid collection. In the event that you collected the amounts mentioned above, directly from an insurance company or any third party, the aforesaid amounts will be returned by you to the Company under the provisions of Section 10 below.

9. Operation of indemnification in advance

In any case for which you may be seemingly entitled to indemnification under this Letter, you and the Company will act as follows:

9.1. Subject to any law, you will notify the Company of any legal proceeding, investigation, or proceeding by a competent authority that is opened against you, and any concern or threat that such a proceeding or investigation will be initiated against you (in this Section 9: a "**Proceeding**"), at the appropriate speed after your learned of the same for the first time and no later than the end of three days after you first learned of the same and at a time that leaves you and the Company a reasonable amount of time to file a response in the same Proceeding, as required under law, and will transfer to the Company or any party instructed thereby, immediately, a copy of any document related to a proceed provided to you by the party initiating the proceeding (in this section; the "**Duty to Provide and Deliver Documents**"). Subject to any law, if the Company becomes aware of a Proceeding as stated, the Company will be subject,*mutatis mutandis,* to the Duty to Provide and Delivery Documents.

It is clarified that in the event that you violate the Notice Duty and the Duty to Provide Documents, the same will not release the Company from its undertakings under this Letter of Indemnity, unless your violation as stated materially harms the Company's rights and/or ability to defend itself (in the case in which it is also party to the same Proceeding) and/or on your behalf against the Proceeding.

9.2. The Company will be entitled to assume the handling of your legal defense in the framework of the same Proceeding and/or transfer the handling to an attorney with a reputation and experience in the relevant field, which the Company selects for this purpose, and which operate and subject to a duty of trust to the Company and to you. The Company may appoint an attorney as stated, provided that your prior written consent is given to the identity of the attorney. However, your consent will not be withheld other than for reasonable grounds, including due to circumstances in which, in your reasonable opinion, there is a concern of a conflict of interests between your defense and the defense of the Company or another officer. In the case of a concern of a conflict of interests as stated, you will be appointed a separate attorney who will be acceptable to you, in order to protect your personal interests, provided that this appointment is approved in advance and in writing, by the Company. Subject to the above and below, the Company and/or any attorney as stated will be entitled to act in the framework of the aforesaid handling in a proceeding at their sole discretion, with regular reporting to you and consulting with you from time to time.

The Company and/or attorney as stated may bring the same procedure to an end. However, the Company and/or attorney will not agree to reach a settlement as a result of which you will be convicted of a criminal offense or you will be required to pay amounts for which you will not be indemnified under this Letter of Indemnity and you will also not be paid within insurance purchased by the Company or within indemnification by a third party, other than with your prior written consent. The Company will not agree to resolve the dispute by way of mediation or arbitration until it has obtained your prior consent to the same in writing. However, this consent will not be withheld other than for reasonable grounds.

At the request of the Company, you will sign any document that will authorize the Company and/or any attorney as stated to handle, in your name, your defense in the framework of the same Proceeding and represent you in connection with the same, according to the above.

9.3. You will cooperate with the Company and/or any attorney as stated and/or any insurer in any reasonable manner that is required from you by any of them in the framework of their handling in connection with the same Proceeding, including dedicating the full time required for handling the Proceeding, compliance with the provisions of the insurance policy, signing or providing requests, affidavits, powers of attorney and any other document, provided that the Company will ensure to obtain full coverage of all of the costs involved in the same such that you will not be required to pay for or finance them yourself, all subject to the contents of Sections 7 and 8 above.

9.4. The Company will not be required to indemnify you for any amount that you are charged following a settlement arrangement, arbitration or mediation, or in the case in which you admit in a criminal charge to an offense that does not require proof of *mens rea*, unless the Company's has provided its prior written consent to the settlement arrangement or to holding the same mediation proceeding, arbitration proceeding, or your admission in the indictment as stated, as the case may be. It is noted that the Company will not refrain from providing its consent as stated other than for reasonable grounds.

9.5. Whether or not the Company exercises its right under Section 9.2 above, the Company will ensure full coverage of all of the litigation expenses set forth in Sections 7.2 and 7.3, including providing securities and/or guarantees that it will be required to provide under an interim decision of a court or arbitrator, including for the purpose or replacing attachments placed on your assets, and payment of these expenses such that you will not be required to pay them or finance them yourself, all subject to the contents of Sections 7 and 8 above.

Subject to Section 10.1 below, it is clarified that the amounts that will be paid by the Company as stated above will be recorded as an advance on account of the indemnification amount to which you will be entitled under this Letter of Indemnity.

9.6. Upon your request to execute a payment in connection with any event based on this Letter of Indemnity, the Company will take all of the actions required under law for its payment, and will act to arrange any approval required in connection with the same, if any. In the event that any approval is required for a payment as stated above, and the same payment is not approved for any reason, the aforesaid payment or any part thereof that is not approved as stated will be subject to the approval of the court (if relevant), and the Company will act to obtain it immediately and will bear all of the expenses and payments required in order to obtain it as stated.

9.7. At any time, you can contact the secretary of the Company and receive information regarding the balance of the Maximum Indemnification Amount, as of the date of your inquiry as stated, which has not yet been paid under the Letters of Indemnity, as defined in Section 8.2 above.

10. Repayment of an amount paid under an advance indemnification undertaking

10.1. Where the Company has paid you or in your place any amounts under this Letter of Indemnity, including amounts under Section 9.5 above, and it has later become clear that you are not entitled to indemnification from the Company for the same amounts, the same amounts will be considered to be a loan provided to you by the Company which will bear interest at the minimum rate set forth under Section 3(i) of the Income Tax Ordinance, or any other law that shall replace it, as it may be from time to time, and which is not a benefit for you that is subject to tax. In such a case, you will repay the loan when asked in writing by the Company to do so, and based on a payment arrangement that the Company will determine, with the approval of the Company's competent bodies.

It is clarified that in the event that the Company has paid you or in your place litigation expenses, including attorney fees, following an examination or investigation held against you by a competent authority or for a criminal proceeding initiated against you, these amounts will be considered to be a loan provided to you by the Company, under the terms set forth in this section. If and when it becomes clear that the Company may, under law, indemnify you for the same amounts, the same amounts will become indemnification amounts that are paid to you by the Company under this Letter of Indemnity, you will not be required to return them to the Company, the interest for the same will be forgiven, and the Company will bear the tax payments applicable to you for the same, if any apply.

10.2. It is clarified that amounts ordered for your benefit within a legal proceeding, settlement arrangement, mediation or arbitration, for liability or expense that had previously been paid to you or in your place by the Company under the Letter of Indemnity, will be returned by you to the Company immediately upon receipt thereof. In the event that amounts are decided in your favor and you have not yet received them, you will assign to the Company your rights to receive the same amounts and/or authorize the Company to collect these amounts in your name.

11. De facto indemnification

Subject to the provisions of the articles of association of the Company and the resolutions of the Company's competent organs, the provisions of this Document above will not derogate from the Company's right to indemnify you retroactively.

12. Acquisition of insurance policy

12.1. Subject to finding an insurer that agrees to the same, the Company will purchase an insurance policy with a limitation of liability of at least the limitation of liability set forth in the insurance policy that will be in force on the conclusion date of the service of the director / officer in the Company, and for a period of seven years from the end date of the service of the director / officer of the Company.

12.2. Subject to finding an insurer that agrees to the same, in the case of a transaction (as this term is defined in the director and officer liability insurance policies) or the appointment of a receiver for the Company, the Company will purchase a director and officer liability insurance policy that will be in force for a period of seven years as of the occurrence of the event as stated (runoff).

Fourth Chapter: General Provisions

13. Qualification to Exemption and Indemnification

The Company does not exempt you in advance and will not indemnify you for any of the following:

13.1. A breach of a fiduciary duty, other than with regard to indemnification and provided that you actedin good faith and had a reasonable basis to believe that your action would not harm the interests of the Company;

13.2. Breach of the duty of care committed deliberately or recklessly, unless committed in negligence only;

13.3. An action with the intent to generate unlawful personal profit;

13.4. A fine or sanction imposed on you.

14. Application after the termination of a position

The Company's undertakings under this Letter of Exemption and Indemnity will remain in your favor and/or for your heirs and/or substitute directors lawfully appointed by you, without limitation in time, even after the conclusion of your position as an officer of the Company, provided that the actions at the subject of this Letter of Exemption Indemnity were performed during the term of your position as an officer of the Company.

15. Non-assignment

For the avoidance of doubt, it is clarified that this Letter is not assignable. Notwithstanding the above, in the case of your death (heaven forbid), this Letter will apply to you and to your estate.

16. Letter for in favor of a third party

For the avoidance of doubt, it is clarified that this Letter will not be interpreted as providing a right or benefit to any third party, including any insurer.

17. Termination, change, waiver and inaction

17.1. This Letter of Exemption and Indemnity will not detract from or impair the future decisions of the Company to provide an exemption in advance and/or indemnification in advance or retroactively in any matter subject to any law, and will not require the Company to provide you with additional exemption and/or indemnification beyond the contents of this Letter of Exemption and Indemnity.

17.2. The Company may, at its sole discretion and at any time, terminate its exemption and/or indemnification undertaking under this Letter, or reduce the Maximum Indemnification Amount hereunder, or limit the events to which the indemnification applies, whether regarding all of the officers or part thereof, in the event that the termination or amendment as stated relates to events that occur after the date or the amendment - provided that you are given prior notice of this intention in writing at least 30 days prior to the date on which its decision comes into force. For the avoidance of doubt, it is hereby clarified that any resolution as stated that can impair or terminate the terms of this Letter will not apply retroactively, and this Letter prior to its change or termination, as applicable, will continue to apply and be valid for all intents and purposes regarding any event that occurs prior to the change or termination, even if the proceeding for the same is initiated against the officer after the change or termination of this Letter. In any case, this Letter of Indemnity cannot be changed unless signed by the Company and by you.

17.3. If in the future, the relevant law changes in a way that allows the Company to expand the scope of the exemption that it may provide to an officer from its liability due to a violation of the duty of care and/or that allows the Company to expand its undertaking to indemnify an officer, this change to the law will be considered to apply to you as well, and this Letter of Exemption and Indemnity will be considered to be amended to include the aforesaid change.

17.4. A delay, lateness, extension or inaction on your part or on the part of the Company from exercising or enforcing any of the rights under this Letter will not be considered to be a waiver or impediment on your part or on the part of the Company from exercising rights in the future under this Letter and under any law, and will not prevent you or the Company from taking all of the legal and other measures required in order to exercise rights as stated.

18. Applicable Law and Jurisdiction

The Israeli law will apply exclusively to this Letter and to any dispute that arises in connection with this Letter. The exclusive jurisdiction in all matters relating to and arising from this Letter, including its validity, breach and interpretation shall be granted to the competent courts in the Tel Aviv District only.

19. Entry into force and previous exemption and indemnification letters

19.1. This Letter of Exemption and Indemnity will enter into force upon your signature on a copy thereof in the place designated for the same and by providing the signed copy to the Company. Upon its entry into force, this Letter of Exemption and Indemnity cancels any earlier exemption and/or indemnification undertaking, if any were offered and provided to you by the Company. Without derogating from the generality of the above, if this Letter of Exemption and Indemnity is declared or found to be void by the competent courts, any earlier indemnification and/or exemption undertaking before this Letter of Exemption and Indemnity came into force, and which this Letter should replace, will remain in full force.

19.2. This Letter of Exemption and Indemnity shall not detract from any other exemption or indemnification provided to you by a third party and/or to which you are entitled from any other source under law.

20. Addresses and Notices

The addresses of the parties are as set forth below:

	Address	Email
IceCure Medical Ltd.	7 Ha'eshel Street, Caesaria Industrial Part; or the registered address of the Company that appears in the register of the Israeli Registrar of Companies, at the time of sending a notice or under or in connection with this Letter.	info@icecure-medical.com
___Full Name__	_____	_____@____

Any notice that is sent by one party to the other under or in connection with this Letter will be sent by registered mail and email, or delivered by courier. Notice that must

be provided to the Company must be provided, as stated, to two addresses. Notice provided by courier shall be considered as having arrived at the recipient on the date of the actual delivery, provided that it is a business day, and if it is not a business day, on the first business day thereafter. Notice sent by registered mail will be considered to have arrived at the recipient within three (3) business days from being sent, and notice sent by email will be considered to be notice that is received by the recipient on the date on which the notice is sent, subject to the receipt of electronic confirmation of delivery.

In witness whereof, the Company affixes its signature, through its authorized signatories, who are duly authorized.

IceCure Medical Ltd.

By way of: Eyal Shamir
Position: CEO
Date: _____
Signature: _____

By: Ronen Tsimerman
Position: CFO
Date: _____
Signature: _____

I have carefully read this Letter of Exemption and Indemnity, understood its contents fully, and I confirm receipt of this Letter of Exemption and Indemnity and confirm my consent to all of its terms. I am aware that regarding this Letter of Exemption and Indemnity, the legal counsel of the Company does not represent me, and I cannot relay thereon.

Full Name

Date: _____

Signature: _____

Addendum

1. For the avoidance of doubt, all of the definitions, terms and expressions in this Addendum will have the meanings provided to them in the Letter of Exemption and Indemnity to which this Addendum is attached, unless expressly stated otherwise.

2. Subject to the provisions of any law, you will be entitled to indemnification or a liability or expense imposed on you for the benefit of another person under a judgment, including a judgment provided in a settlement or arbitrator ruling approved by a court, following an action performed by virtue of your position as an officer of the Company and/or a derivative of such an action, regarding the following events that are anticipated by the Company's board of directors in light of the actual activity of the Company when providing the indemnification undertaking:

   2.1. The issue of securities and/or the listing of the securities for trade on a stock exchange in Israel or overseas, including but without derogating from the generality of the above, the offer of securities to the public under a prospectus, a private placement, a sale offer, the issue of bonus shares or the offer of securities in any other manner.

   2.2. An event arising from the Company being a public company or arising from the fact that its shares were offered to the public or arising from the fact that the shares of the Company are traded on a stock exchange in Israel or outside of Israel.

   2.3. A transaction, as defined in Section 1 of the Companies Law, including negotiations for the engagement in a transaction or action, a transfer, sale, lease, purchase or pledge of assets or undertakings (including securities) or providing or receiving a right in any of the same, the receipt of credit and provision of securities, and any action involved directly or indirectly in the transaction as stated, including the transfer of information and documents.

   2.4. Decisions and/or actions related to the approval of transactions with interested parties, as the same transactions are defined in the Fifth Chapter of the Sixth Part of the Companies Law.

   2.5. Reporting or notice submitted under the companies laws, securities laws, communications laws, tax laws, antitrust laws, labor laws, or any other law that requires the Company to provide report or notice, including under rules or instructions practiced in the Stock Exchange in Israel or outside of it, or under a law of a different country that regulates similar matters and/or refrains from filing reporting or notice as stated.

   2.6. Adoption of findings of an external opinion for the issue of an immediate report, prospectus, financial statements or any other disclosure document.

   2.7. A discussion of an passing resolutions and providing reporting and disclosure in reports of the Company, including the provision of an assessment regarding the effectiveness of the internal control and additional matters included in the board of director's report of the Company, and providing declarations and comments to the financial statements.

   2.8. The preparation, formation, approval of and signing on financial statements, including passing resolutions regarding the operation of accounting rules and restatement in the financial statements.

   2.9. The adoption of financial reporting based on the International Financial Reporting Standards (IFRS), the generally accepted accounting principles in the United States (the US GAAP) or any financial reporting standards practiced by the Company or its subsidiaries, and any action involved in the same.

   2.10. Events related to the execution of investments by the Company in any corporations.

   2.11. A decision regarding a distribution, as defined in the Companies Law, including a distribution with the approval of a court.

   2.12. A restructuring of the Company, change of ownership of the Company, the reorganization of the Company, its liquidation, sale of its assets or transaction (all or part), or any decision regarding the same, including but without detracting from the generality of the above, a merger, split, change in capital of the Company, the establishment of subsidiaries, their liquidation or sale, allocation or distribution.

   2.13. The formation, modification or amendment of arrangements between the Company and the shareholders and/or bondholders and/or banks and/or creditors of the Company and/or related corporations, including the formation or amendment of trust deeds, bonds, and outline and arrangement documents generally.

   2.14. Actions related to the issue of licenses, permits or approvals, including approvals and/or exemptions regarding antitrust matters.

   2.15. Participation in and formation of tenders.

2.16. An expression or statement, including the presentation of a position or opinion, a voting and/or abstention from a vote, performed in good faith by you as officer during your position and by virtue of your position, including in the framework of negotiations and engagements with suppliers or customers, including within meetings of the management, board of directors, or any of its committees.

2.17. An action in violation of the Company's Articles of Association or memorandum.

2.18. An action or decision in connection with an employment relationship, including negotiations, engagements and the implementation of personal or collective employment agreements, benefits to employees, including the allotment of securities to employees.

2.19. An action or decision related to work safety and hygiene and/or work conditions.

2.20. Negotiations, engagement and operation of insurance policies.

2.21. The formation of work plans, including pricing, marketing, distribution, instructions to employees, customers and suppliers, and collaborations with competitors.

2.22. Decisions and/or actions related to environmental protection and public health, including hazardous substances, related,*inter alia*, to pollution, protecting health, production processes, distribution, use, handling, storage and transport of certain materials or products, including for bodily damage, property damage, and environmental damage.

2.23. Decisions and/or actions relating to the Protection of Privacy Law, 5741-1981, and/or orders and/or regulations thereunder.

2.24. Actions related to the intellectual property of the Company and protecting the same, including the registration or enforcement of intellectual property rights and defense in claims in connection with the same.

2.25. A violation of intellectual property rights of a third party, including but not limited to patents, models, design rights, trademarks, copyrights, and so on.

2.26. Negotiations, the formation and execution of contracts of any type and kind with suppliers, distributors, agents, concessionaires, marketers, importers, exporters, customers and so on of products or services marketed and/or sold and/or supplied by the Company or used by it;

2.27. Negotiations, the formation and execution of agreements with manpower contractors, service contractors, construction contractors, renovation contractors, and so on.

2.28. Reporting, notice and submission of an application to the State authorities and other authorities.

2.29. Investigations of State authorities.

2.30. The management of the bank accounts in which the Company in banks and the execution of actions in the above Bank accounts, including with respect to the foreign currency transactions (including deposits in foreign currency), securities (including a repurchase transaction in securities and the lending and borrowing of securities), charge cards, bank guarantees, letters of credit, investment consulting agreements, including with portfolio managers, hedging transactions, options, futures, derivatives, swap transactions, and so on.

2.31. The exercise of a personal guarantee provided by the officer to the Company, as a guarantee for the undertakings and/or declarations of the Company.

2.32. Failure to conduct full and/or proper due diligence procedures in the Company's investments, which resulted in the loss of the investments in full or in part and/or to the detriment of the Company's business and/or breach of liability to a third party.

2.33. Events and actions in connection with investments made by the Company in various corporations, before or after the performance of the investment, including for the engagement in a transaction, its execution, development, monitoring and control of the same.

2.34. Financial liability applied to an officer for actions in which he was involved on behalf of the Company, or with the various state institutions.

2.35. Financial liability imposed on an officer for an action by third parties against the officer due to misleading or incomplete disclosure, written or verbal, to existing and/or potential investors of the Company, including in the case of a merger of the Company with a different company.

2.36. Coverage of a deductible in the case of the operation of officer liability insurance.

2.37. The violation of the provisions of any agreement to which the Company is party.

2.38. An action related to tax liability of the Company and/or a subsidiary and/or shareholders of any of them.

2.39. Each of the events listed above, in connection with the tenure of an officer in the Company by virtue of his position as an officer and/or as an employee and/or as an observer at meetings of competent organs of a related corporation.

2.40. Actions and omissions that are not covered within a product liability insurance policy or clinical trial insurance policy.

2.41. Actions or omissions in relation to bodily or property damage attributed to the Company and/or officer acting on its behalf.

2.42. Actions or omissions arising from the failure to engage in adequate insurance and/or inadequate safety measures and/or negligence in risk management.

2.43. Any claim or demand in connection with the distribution of dividend to the Company's shareholders.

2.44. Any transaction or arrangement, including a transfer, sale, or purchase or lease of assets or liabilities, including but without detracting from the generality of the above, goods, real estate, securities, or rights, or the provision or receipt of a right in any of them.

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ARBEL MEDICAL LTD.

2006 EMPLOYEE SHARE OPTION PLAN

CONTENTS

2006 ESOP

PREFACE

This plan, as amended from time to time, shall be known as the "Arbel Medical Ltd. 2006 Employee Share Option Plan" (the "**ESOP**" or the "Plan").

1. PURPOSE OF THE ESOP

The purpose of the Plan is to foster and promote the long-term financial success of the Company and its Subsidiaries and materially increase shareholder value by:

(a) motivating superior performance by means of performance-related incentives;

(b) encouraging and providing for the acquisition of an ownership interest in the Company by eligible Employees; and

(c) enabling the Company to attract and retain the services of outstanding management team and other qualified and dedicated employees upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

2. DEFINITIONS

For purposes of the ESOP and related documents, including the Option Agreement, the following definitions shall apply:

"**Administrator**" - means the Board or the Committee as shall be administering the Plan, in accordance with Section 3 hereof.

"**Affiliate**" means any "employing company" within the meaning of Section 102(a) of the Ordinance.

"**Approved 102 Option**" means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

"**Board**" means the Board of Directors of the Company.

"Capital Gain Option" or **"CGO**" as defined in Section 5.4 below.

"**Cause**" means, (i) conviction of any felony involving moral turpitude or affecting the Company; (ii) any failure (as a result of gross negligence or willful misconduct) to carry out, as an employee of the Company or its Affiliates, a reasonable directive of the chief executive officer, the Board or the Optionee's direct supervisor, which involves the business of the Company or its Affiliates and which was capable of being lawfully performed by Optionee; (iii) embezzlement or theft of funds of the Company or its Affiliates; (iv) any breach of the Optionee's fiduciary duties or duties of care of the Company; including, without limitation, self-dealing, prohibited disclosure of confidential information of, or relating to, the Company, or engagement in any business competitive to the business of the Company or of its Affiliates; and (v) any conduct (other than conduct in good faith) reasonably determined by the Board to be materially detrimental to the Company.

"Chairman" means the chairman of the Committee.

"Committee" means a share option compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

"Company" means Arbel Medical Ltd., an Israeli company incorporated under the laws of the State of Israel.

"Companies Law" means the Israeli Companies Law -1999.

"Controlling Shareholder" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

"Date of Grant" means, the date of grant of an Option, as determined by the Board and set forth in the Optionee's Option Agreement.

"Employee" shall have the same meaning as defined under Section 102 of the Ordinance.

"Expiration date" means the date upon which an Option shall expire, as set forth in Section 9.2 of the ESOP.

"Fair Market Value" means as of any date, the value of a Share determined as follows:

If the Shares are listed on any established stock exchange or a national market system, including without limitation the Tel Aviv Stock Exchange, NASDAQ National Market system, or the NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Board deems reliable.

Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;

If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;

In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board.

"**IPO**" means the underwritten initial public offering of the Company's shares pursuant to a registration statement filed with and declared effective under the Israeli Securities Law, 1968, under the U.S. Securities Act of 1933, as amended, or under any similar law of any other jurisdiction.

"**ESOP**" means as defined in the preface hereto.

"ITA" means the Israeli Tax Authorities.

"Non-Employee" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.

"**Ordinary Income Option**" or **"OIO**" as defined in Section 5.5 below.

"**Option**" means an option to purchase one or more Shares of the Company pursuant to the ESOP.

"**102 Option**" means an Option that the Board intends to be a "102 Option" which shall only be granted to Employees, and shall be subject to and construed consistently with the requirements of Section 102 of the Ordinance. The Company shall have no liability to an Optionee or to any other party, if an Option (or any part thereof), which is intended to be a 102 Option, is not a 102 Option. Approved 102 Options may either be classified as Capital Gain Options ("**CGO**") or Ordinary Income Options ("**OIO**").

"**3(i) Option**" means Options that do not contain such terms as will qualify under Section 102 of the Tax Ordinance.

"Optionee" means a person who receives or holds an Option under the ESOP.

"Option Agreement" means the share option agreement between the Company and an Optionee that sets out the terms and conditions of an Option.

"**Ordinance"** means the Israeli Income Tax Ordinance [New Version] 1961, as now in effect or as hereafter amended.

"Exercise Price" means the Exercise Price for each Share underlying an Option.

"Section 102" means Section 102 of the Ordinance as now in effect or as hereafter amended.

"Share" means the ordinary shares of the Company, NIS [0.01] par value each.

"Successor Company" means any entity into or with which the Company is merged or by which the Company is acquired, pursuant to a Transaction in which the Company is not the surviving entity.

"Transaction" means (i) merger, acquisition or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of all or substantially all of the assets or shares of the Company.

"Trustee" means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

"Vested Option" means any Option that has already become vested and exercisable according to its Vesting Date or otherwise (e.g. acceleration upon certain events).

"**Vesting Dates**" means, with respect to any Option, the date as of which the Optionee shall be entitled to exercise such Option, as set forth in Section 10 of the ESOP.

"**Unapproved 102 Option**" means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

3. ADMINISTRATION OF THE ESOP

7.3 The Plan shall be administered by the Board. The Board shall have the authority in its sole discretion, subject and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities specifically granted to it under the Plan as necessary and advisable in the administration of the Plan.

7.4 Provided that the Board of Directors is entitled by law to delegate all and any of its powers and authority granted to it under this Plan to a Committee of the Board of Directors, which shall consist of at least two Directors of the Company chosen by the Board. The Committee shall have the responsibility of construing and interpreting the Plan and of establishing and amending such rules and regulations, as it deems necessary or desirable for the proper administration of the Plan.

7.5 The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places, as the Chairman shall determine or as otherwise convened in accordance with the Articles of Association of the Company. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business, as it shall deem advisable.

7.6 The Committee shall have the power to recommend to the Board and the Board shall have the full power and authority to: (i) designate Optionees; (ii) determine, on the date of grant, the terms and provisions of the respective Option Agreements (which need not be identical), including, but not limited to, the number of Options to be granted to each Optionee, the number of Shares to be covered by each Option, provisions concerning the time and extent to which the Options may be exercised, and the nature and duration of restrictions as to the transferability, or restrictions constituting substantial risk of forfeiture upon occurrence of certain events; (iii) determine the Fair Market Value of the Shares covered by each Option; (iv) designate the type of Options; and (v) cancel or suspend Options, as necessary.

7.7 Subject to the provisions of the Plan, the applicable laws and, the specific duties delegated by the Board to the Committee, and subject to the approval of any relevant authorities, the Committee shall have the authority, in its discretion:

(i) To construe and interpret the terms of the Plan and any Options granted pursuant to the Plan;

(ii) To designate the Service Providers to whom Options may from time to time be granted hereunder;

(iii) To determine the number of Shares to be covered by each such Option granted hereunder;

(iv) To prescribe forms of agreement for use under the Plan;

(v) To determine the terms of any Option granted hereunder;

(vi) To determine the Exercise Price of any Option granted hereunder;

(vii) To determine the Fair Market Value of Shares;

(viii) To prescribe, amend and rescind rules and regulations relating to the Plan, provided that any such amendment or resident that would adversely affect the Optionee's rights under an Option shall not be made without the Optionee's written consent.

(ix) To take all other action and make all other determinations necessary for the administration of the Plan.

(x) To determine the total number of shares with in the pool allocated for the purpose of this plan, and or any additional awards hereafter, subject to this plan

7.8 Subject to the Company's Articles of Association, all decisions and selections made by the Board or the Committee pursuant to the provisions of the Plan shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Option to be granted to that member. Any decision reduced to writing shall be executed in accordance with the provisions of the Company's Articles of Association, as the same may be in effect from time to time.

7.9 Any decision or action taken or to be taken by the Committee, arising out of or in connection with the construction, administration, interpretation and effect of the Plan and of its rules and regulations, shall, to the maximum extent permitted by applicable law, be within its absolute discretion (except as otherwise specifically provided herein) and shall be conclusive and binding upon all Optionees and any person claiming under or through any Optionee.

7.10 No member of the Board or the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Option granted hereunder.

7.11 Any member of such Committee shall be eligible to receive Options under the Plan while serving on the Committee, unless otherwise specified herein. No person shall be eligible to be a member of the Committee if that person's membership would prevent the Plan from complying with exemptions provided within the Applicable Laws.

4. DESIGNATION OF PARTICIPANTS

The persons eligible for participation in the ESOP as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate thereof; provided, however, that (i) Employees may only be granted 102 Options; and (ii) Non-Employees may only be granted 3(i) Options.

Each Option granted pursuant to the Plan shall be evidenced by an Option Agreement, in such form as the Board or the Committee shall from time to time approve. Each Option Agreement shall state, among other matters, the number of Shares to which the Option relates, the type of Option granted thereunder (whether an CGO, OIO, Unapproved 102 Option or a 3(i) Option), the Vesting Dates, the Exercise Price per share, the expiration date and such other terms and conditions as the Committee or the Board in its discretion may prescribe, provided that they are consistent with this Plan. The written agreement shall be delivered to the Optionee and shall incorporate the terms of the Plan by reference and specify the terms and conditions thereof and any rules applicable thereto (each, an "**Option Agreement**").

Neither this Plan nor any Agreement nor any offer of Options to an Optionee shall impose any obligation on the Company to continue to employ or to engage the services of any Optionee, and nothing in the Plan or in any Option granted pursuant thereto shall give any Optionee any right to continue it's employment or service with the Company or restrict the right of the Company to terminate such employment or services at any time. Further, the Company and each Subsidiary expressly reserves the right at any time to dismiss an Optionee free from any liability, or any claim under the Plan, except as provided herein or in any agreement entered into with respect to an Option.

The grant of an Option hereunder shall neither entitle the Optionee to participate nor disqualify the Optionee from participating in, any other grant of Options pursuant to the ESOP or any other option or share plan of the Company or any of its Affiliates.

Anything in the ESOP to the contrary notwithstanding, all grants of Options to directors and office holders shall be authorized and implemented in accordance with the provisions of the Companies Law or any successor act or regulation, as in effect from time to time.

5. DESIGNATION OF OPTIONS PURSUANT TO SECTION 102

5.1 The Company may designate Options granted to Employees pursuant to Section 102 as Unapproved 102 Options or Approved 102 Options.

5.2 The grant of Approved 102 Options shall be made under this ESOP adopted by the Board as described in Section 16 below, and shall be conditioned upon the approval of this ESOP by the ITA.

5.3 Approved 102 Option may either be classified as Capital Gain Option (or as CGO) or Ordinary Income Option (or as OIO).

5.4 Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as **CGO**.

5.5 Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as **OIO**.

5.6 The Company's election of the type of Approved 102 Options as CGO or OIO granted to Employees (the "**Election**"), shall be appropriately filed with the ITA before the first Date of Grant of an Approved 102 Option under such Election. Such Election shall become effective beginning the first Date of Grant of an Approved 102 Option under such Election and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Options under such Election. The Election shall obligate the Company to grant only the type of Approved 102 Option it has elected, and shall apply to all Optionees who were granted Approved 102 Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Options simultaneously.

5.7 Designation of Approved 102 Options – In case that Optionee exercises and sales his Shares within the Restricted Period (as defined in section 6.1 below), the Company should not bear any tax liability derived due to the exercise and or sale of the options as a result of Optionee's termination except for the mentioned in section 22 below.

5.8 All Approved 102 Options must be held in trust by a Trustee, as described in Section 6 below.

5.9 For the avoidance of doubt, the designation of Unapproved 102 Options and Approved 102 Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder.

6. TRUSTEE

6.1 Approved 102 Options which shall be granted under the ESOP and/or any Shares allocated or issued upon exercise of such Approved 102 Options and/or other shares received subsequently following any realization of rights, including, without limitation, bonus shares, shall be allocated or issued to the Optionee (and registered in the Trustee's name in the register of members of the Company) and held by the Trustee for the benefit of the Optionees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated hereunder (the "**Restricted Period**"). All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Shares are released from the aforesaid trust as herein provided. In the case the requirements for Approved 102 Options are not met, then the Approved 102 Options may be treated as Unapproved 102 Options, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.

6.2 Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Options prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Options which were granted to such Optionee and/or any Shares allocated or issued upon exercise of such Options.

6.3 With respect to any Approved 102 Option, subject to the provisions of Section 102 and any rules or regulations or orders or procedures promulgated thereunder, an Optionee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Restricted Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Restricted Period, the sanctions under Section 102 of the Ordinance and under any rules or regulations or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.

6.4 Upon receipt of Approved 102 Option, the Optionee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ESOP, or any Approved 102 Option or Share granted to him thereunder.

7. SHARES RESERVED FOR THE ESOP; RESTRICTION THEREON

7.1 The Company has reserved a total of [_____]Shares, for the purposes of the ESOP and for the purposes of any other share option plans which have previously been, or may in the future be, adopted by the Company, subject to adjustment as set forth in Section 11 below. Any Shares which remain unissued and which are not subject to the outstanding Options at the termination of the ESOP shall cease to be reserved for the purpose of the ESOP, but until termination of the ESOP the Company shall at all times reserve sufficient number of Shares to meet the requirements of the ESOP. Should any Option for any reason expire or be canceled prior to its exercise or relinquishment in full, the Shares subject to such Option may again be subjected to an Option under the ESOP or under the Company's other share option plans, provided, however, that Shares that have actually been issued under the Plan shall not be returned to the Plan and shall not become available for future distribution under the Plan.

7.12 The Company, at its sole discretion, may require that, until the consummation of an IPO, any Shares issued upon exercise of Options (and securities of the Company issued with respect thereto) shall be voted by an irrevocable proxy (the "**Proxy**"), pursuant to the directions of the Board, such Proxy to be assigned to the person or persons designated by the Board and to provide for the power of such designated person(s) to act, instead of the Optionee and on its behalf, with respect to any and all aspects of the Optionee's shareholdings in the Company. The Proxy may be contained in the Option Agreement of an Optionee or otherwise as the Committee determines. If contained in the Option Agreement, no further document shall be required to implement such Proxy, and the signature of the Optionee on the Option Agreement shall indicate approval of the Proxy thereby granted. Such person or persons designated by the Board shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the person(s) may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise. Without derogating from the above, with respect to Shares issuable upon exercise of Approved 102 Options, such Shares shall be voted in accordance with the provisions of Section 102 and of any rules, regulations or orders promulgated thereunder.

8. EXERCISE PRICE

8.1 The Exercise Price of each Share subject to an Option shall be determined by the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Option Agreement will contain the Exercise Price determined for each Option covered thereby (but in any event, not less than the par value of the Share issuable upon exercise thereof).

8.2 The total consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator and may consist entirely of (1) cash, (2) check, or (3) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company. The Committee shall have the authority to postpone the date of payment on such terms as it may determine.

8.3 The Exercise Price shall be denominated in the currency of the primary economic environment of, either the Company or the Optionee (that is the functional currency of the Company or the currency in which the Optionee is paid), as determined by the Company.

8.4 The proceeds received by the Company from the issuance of Shares subject to the Options will be added to the general funds of the Company and used for its corporate purposes

Options shall be exercised by the Optionee by giving written notice to the Company and/or to any third party designated by the Company (the "**Representative**"), in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Exercise Price at the Company's or the Representative's principal office. The notice shall specify the number of Shares with respect to which the Option is being exercised.

9. TERM AND EXERCISE OF OPTIONS

Options, to the extent not previously exercised, shall terminate forthwith upon the earlier of: (i) the date set forth in the Option Agreement (unless otherwise determined in accordance with the provisions of this ESOP with respect to any Option(s), such date shall be ten (10) years from the respective Date of Grant; and (ii) the expiration of any extended period in any of the events set forth in Section 9.5 below.

The Options may be exercised by the Optionee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of Section 9.5 below, the Optionee is employed by or providing services to the Company or any of its Affiliates, at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

Subject to the provisions of Section 9.5 below, in the event of termination of Optionee's employment or services, with the Company or any of its Affiliates, all Options granted to such Optionee will immediately expire. A notice of termination of employment or service shall be deemed to constitute termination of employment or service. For the avoidance of doubt, in case of such termination of employment or service, the unvested portion of the Optionee's Option shall not vest and shall not become exercisable and any unvested portion of the Optionee's Option shall revert to the ESOP.

Notwithstanding anything to the contrary herein above and unless otherwise determined in the Optionee's Option Agreement, an Option may be exercised after the date of termination of Optionee's employment or service with the Company or any Affiliates during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

(i) termination is without Cause, in which event any Vested Option still in force and unexpired may be exercised within a period of three (3) months after the date of such termination; or-

(ii) termination is the result of death, Retirement or Disability (each, as hereinafter defined) of the Optionee, in which event any Vested Option still in force and unexpired may be exercised within a period of twenty four (24) months after the date of such termination; or -

(iii) prior to such termination, the Committee shall authorize an extension of the terms of all or part of the Vested Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

(iv) For avoidance of any doubt, notwithstanding anything herein to the contrary, if termination of employment or service is for Cause: (i) any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Optionee shall not have any right in connection to such outstanding Options; and (ii) all Shares issued upon exercise of Options shall be subject to repurchase at their nominal value by the Repurchaser(s) (as defined in Section 12.3 below), *provided however* that in no case shall the Company provide financial assistance to any other party to purchase the Shares if doing so is prohibited by law.

(v) As used herein: the term "**Disability**" means an Optionee's inability to perform his/her duties to the Company, or to any of its Affiliates, for a consecutive period of at least 180 days, by reason of any medically determinable physical or mental impairment, as determined by a physician selected by the Optionee and acceptable to the Company;

To avoid doubt, the Optionees shall not be deemed owners of the Shares issuable upon the exercise of Options and shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any Option, nor shall they be deemed to be a class of shareholders of the Company for purpose of the operation of Sections 350 and 351 of the Companies Law or any successor to such section, until registration of the Optionee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ESOP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 6 of the ESOP. Anything herein to the contrary notwithstanding, in no event shall the Optionees be deemed a

class of creditors of the Company for purpose of the operation of Sections 350 and 351 of the Companies Law or any successor to such section.

Any form of Option Agreement authorized by the ESOP may contain such other provisions, as the Committee may, from time to time, deem advisable.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

With respect to Unapproved 102 Options, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a

security or guarantee for the payment of tax due at the time of Sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulations or orders promulgated thereunder. In respect of any employer's tax liability for the purpose of employment taxes such as in the case of social taxes, see section 22 below.

Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option, the method of payment and the issuance and delivery of such Shares shall comply with Applicable Laws.

Upon their issuance, the Shares shall carry equal voting rights on all matters where such vote is permitted by applicable laws of the jurisdiction of incorporation of the Company, provided however, that the Company, at its sole discretion, may require that, until the consummation of an IPO, any Shares issued upon exercise of Options (and securities of the Company issued with respect thereto) shall be voted by an irrevocable Proxy in the same manner as the votes of the majority of other shareholders of the Company present and voting at the applicable meeting, such Proxy to be assigned to the person or persons designated by the Board and to provide for the power of such designated person(s) to act, instead of the Optionee and on its behalf, with respect to any and all aspects of the Optionee's shareholdings in the Company, as set forth in Section 7.3 above.

10. VESTING OF OPTIONS

Subject to the provisions of the ESOP, each Option shall vest and become exercisable commencing on the Vesting Date thereof, as determined by the Board or by the Committee, for the number of Shares as shall be provided in the Option Agreement. However, no Option shall be exercisable after the Expiration Date.

Unless otherwise determined in accordance with the provisions of this ESOP with respect to any, some or all Options, each Option shall vest annually, in equal portions, over a Three (3) year period from its Date of Grant, with Thirty Three percent (33%) of such Option becoming vested on the First, second and Third anniversaries of such Date of Grant.

An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Committee may deem appropriate. The vesting provisions of individual Options may vary.

11. ADJUSTMENTS

Changes in Capitalization Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, the number of Shares which have been reserved for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the Exercise Price per share of Shares covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a share split, reverse share split, bonus shares (stock dividend), combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to the number or the price of Shares subject to an Option. If the Options or the Shares issued upon the exercise of such Options will be deposited with a Trustee, as determined by the Administrator, all of the Shares formed by these adjustments also will be deposited with the Trustee in the same terms and conditions as the original Options or Shares.

Dissolution or Liquidation In the event of a dissolution or liquidation of the Company (both voluntary and involuntary) (the "**Event**"), the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such Event. The Option holders shall then have fifteen (15) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such fifteen-day period, all remaining unexercised Options will terminate immediately. The Administrator in its sole discretion may allow the exercise of any or all-outstanding Options, whether or not vested, within a reasonable period of time prior to the Event and subject to the provisions of the Applicable Laws. To the extent it has not been previously exercised, an Option will terminate immediately prior to the Event.

Merger, Acquisition, Shares' sale, Assets' Sale

i. In the event of a merger or consolidation of the Company with or into another corporation resulting in such other corporation being the surviving entity, an acquisition of all or substantially all of the outstanding capital stock of the Company, or the sale of substantially all of the assets of the Company (each such event, a "**Transaction**"), each outstanding Option shall be assumed for an equivalent option or right substituted by the successor corporation or a parent or subsidiary of the successor corporation, and appropriate adjustments shall be made in the number of options in order to reflect such an action and to keep the Optionee harmless due to the Transaction.

ii. In the event that the successor corporation refuses to assume or substitute for the Option, the vesting periods defined in the Option Agreement may be fully accelerated If as a result of such acceleration an Option becomes fully vested and exercisable, in lieu of assumption or substitution in the event of a Transaction, the Administrator shall notify the Optionee in writing or electronically that the Option shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option shall terminate upon the expiration of such period if not exercised earlier by the Optionee.

iii. Anything herein to the contrary notwithstanding, if a Transaction shall occur prior to the consummation of an IPO, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the Plan, in accordance with the instructions of the Board, at its sole and absolute discretion, in connection with the Transaction, and in the same terms as shall be determined to all the shareholders of the Company.

iv. For the purposes of this paragraph, the Option shall be considered assumed if, following a Transaction, the Optionee receives the right to purchase or receive, for each Share subject to the Option immediately prior to the Transaction, the consideration (whether stocks, cash, or other securities or property) received in the Transaction by holders of Shares for each Share held on the effective date of the Transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Transaction is not solely shares of the successor corporation or its parent or subsidiary, the Administrator may, with the consent of the successor corporation, provide for each Optionee to receive solely Shares of the successor Company or its Parent or Subsidiary equal in Fair Market Value to the per share consideration received by holders of Shares in the Transaction.

Stock dividend, bonus shares, stock split

i. If the outstanding shares of the Company shall at any time be changed or exchanged by declaration of a share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Shares subject to the ESOP or subject to any Options therefore granted, and the Exercise Prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate Exercise Price, provided, however, that the Exercise Price shall not be less than the par value of the Share underlying any such Options, and provided further, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding shares. Upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ESOP (as set forth in Section 7 hereof), in respect of which Options have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board whose determination shall be final.

ii. Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

12. SHARES SUBJECT TO RIGHT OF FIRST REFUSAL AND BRING ALONG

12.1 Notwithstanding anything to the contrary in the Articles of Association of the Company, none of the Optionees shall have a right of first refusal in relation with any Sale (as hereinafter defined) of shares in the Company.

12.2 Sale, transfer, assignment or other disposal (collectively, "**Sale**") of Shares issuable upon the exercise of an Option shall be subject to the right of first refusal of other shareholders of the Company as set forth in the Articles of Association of the Company or in any agreement among the Company and all or substantially all of its shareholders. In the event that neither the Articles of Association of the Company nor any such agreement shall provide for applicable rights of first refusal, then, unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, the Sale of Shares issuable upon the exercise of an Option shall be subject to a right of first refusal on the part of the Repurchaser(s), as follows:

(a) Repurchaser(s) means (i) the Company, if permitted by applicable law, (ii) if the Company is not permitted by applicable law, then any Affiliate of the Company designated by the Committee; or (iii) if no decision is reached by the Committee, then the Company's existing shareholders (save, for avoidance of doubt, for other Optionees who already exercised their Options), pro rata in accordance with their respective shareholdings in the Company's issued and outstanding share capital.

(b) The Optionee shall give a notice of sale (hereinafter the "**Notice**") to the Company in order to offer the Shares to the Repurchaser(s). The Company will forward the Notice to the applicable Repurchaser(s).

(c) The Notice shall specify the name of each proposed purchaser or other transferee (hereinafter the "**Proposed Transferee**"), the number of Shares offered for Sale, the price per Share and the payment terms. The Repurchaser(s) will be entitled for thirty (30) days from the day of receipt of the Notice (hereinafter the "**Notice Period**"), to purchase all or part of the offered Shares (if the Repurchaser(s) are shareholders of the Company, then such entitlement shall be on a pro rata basis, based on their respective holdings in the Company's issued and outstanding share capital).

(d) If, by the end of the Notice Period, not all of the offered Shares have been purchased by the Repurchaser(s), the Optionee shall be entitled to Sell the Shares so remained unpurchased, at any time during the ninety (90) days following the end of the Notice Period on terms not more favorable to the Proposed Transferee than those set out in the Notice, provided that the Proposed Transferee agrees in writing that the provisions of this section shall continue to apply to the Shares in the hands of such Proposed Transferee. Any Sale of Shares issued under the ESOP by the Optionee that is not made in accordance with the ESOP or the Option Agreement shall be null and void.

(e) If the consideration to be paid for the Shares is not cash, the value of the consideration shall be determined in good faith by the Company's Board of Directors, and if the Company cannot for any reason pay for the Shares in the form of non-cash consideration, the Company may pay the cash equivalent thereof, as determined by the Board of Directors.

12.3 Prior to an IPO, and in addition to the right of first refusal, any transfer of Shares by an Optionee shall require the Board of Directors' approval as to the identity of the transferee and as required under the Company's Articles of Association. The Board of Directors may refuse to approve the transfer of Shares to any competitor of the Company or to any other person or entity the Board determines, in its discretion, may be detrimental to the Company.

12.4 Anything herein to the contrary notwithstanding, the Optionees shall be bound by the "bring along" provisions of any agreement among the Company and all or substantially all of its shareholders, as in effect from time to time, to the effect that if, prior to the completion of the IPO, shareholders holding a certain percentage of the Company's share capital (as set forth in such agreement) ("**Proposing Holders**"), elect to sell all of their equity securities in the Company to a third party, or agree to merge or consolidate the Company with or into another entity, and such sale or merger is conditioned upon the sale of all remaining stock of the Company to such third party, or to the agreement of all of the shareholders, the Optionees shall be required, if so demanded by the Proposing Holders, to sell or transfer all of their equity securities in the Company to such third party at the same price and upon the same terms and conditions as the Proposing Holders.

Anything herein to the contrary notwithstanding, if prior to the completion of the IPO, a Transaction is consummated pursuant to which, all or substantially all of the shares of the Company are sold, or exchanged for securities of another Company, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the ESOP (in accordance with the value of the Optionee's Shares pursuant to the terms of the Transaction), and perform any action and/or execute any document required in order to effectuate such Transaction, all in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

13. PURCHASE FOR INVESTMENT; LIMITATIONS UPON IPO; REPRESENTATIONS

13.1 The Company's obligation to issue or allocate Shares upon exercise of an Option granted under the ESOP is expressly conditioned upon: (a) the Company's completion of any registration or other qualifications of such Shares under all applicable laws, rules and regulations or (b) representations and undertakings by the Optionee (or his legal representative, heir or legatee, in the event of the Optionee's death) to assure that the sale of the Shares complies with any registration exemption requirements which the Company in its sole discretion shall deem necessary or advisable. Such required representations and undertakings may include representations and agreements that such Optionee (or his legal representative, heir, or legatee): (a) is purchasing such Shares for investment and not with any present intention of selling or otherwise disposing thereof; and (b) agrees to have placed upon the face and reverse of any certificates evidencing such Shares a legend setting forth (i) any representations and undertakings which such Optionee has given to the Company or a reference thereto and (ii) that, prior to effecting any sale or other disposition of any such Shares, the Optionee must furnish to the Company an opinion of counsel, satisfactory to the Company, that such sale or disposition will not violate the applicable laws, rules, and regulations, whether of the State of Israel or of any other State having jurisdiction over the Company and the Optionee.

13.2 The Optionee acknowledges that in the event that the Company's shares shall be registered for trading in any public market, Optionee's rights to sell the Shares may be subject to certain limitations (including a lock-up period), as will be requested by the Company or its underwriters, and the Optionee unconditionally agrees and accepts any such limitations.

13.3 If any Shares shall be registered under the United States Securities Act of 1933, no public offering otherwise than a national securities exchange (as defined in the United States Securities Exchange Act of 1934, as amended) of any Shares shall be made by the Optionee (or any other person) under such circumstances that he or she (or such other person) may be deemed an underwriter, as defined in the United States Securities Act of 1933.

13.4 Upon the grant of Options to an Optionee or the issuance of Shares upon the exercise thereof, the Company shall obtain from such the representations and undertakings as follows:

(a) That the Optionee is familiar with the Company, its activity and its financial and commercial forecast, and that the Optionee knows that there is no certainty that the exercise of the Options will be financially worthwhile. The Optionee hereby undertakes not to have any claim against the Company or any of its directors, employees, stockholders or advisors if it emerges, at the time of exercising the Options, that the Optionee's investment in the Company's Shares was not worthwhile, for any reason whatsoever.

(b) That the Optionee knows that his rights regarding the Options and the Shares are subject for all intents and purposes to the instructions of the Company's documents of incorporation and to the agreements of the stockholders in the Company.

(c) That the Optionee knows that in addition to the allocations set forth above, the Company has allocated and/or is entitled to allocate Options and Shares to other employees and other people, and the Optionee shall have no claim regarding such allocations, their quantity, the relationship among them and between them and the other stockholders in the Company, exercising of the options or any matter related to or stemming from them.

(d) That the Optionee knows that neither the ESOP nor the grant of Option or Shares thereunder shall impose any obligation on the Company to continue the engagement of the Optionee, and nothing in the ESOP or in any Option or Shares granted pursuant thereto shall confer upon any Optionee any right to continue being engaged by the Company, or restrict the right of the Company to terminate such engagement at any time.

14. DIVIDENDS

With respect to all Shares (but excluding, for avoidance of any doubt, any unexercised Options) allocated or issued upon the exercise of Options purchased by the Optionee and held by the Optionee or by the Trustee, as the case may be, the Optionee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to the provisions of the Company's Articles of Association (and all amendments thereto) and subject to any applicable taxation on distribution of dividends, and, when applicable, subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

15. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS

15.1 No Option or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to it given to any third party whatsoever, except as specifically allowed under the ESOP, and during the lifetime of the Optionee each and all of such Optionee's rights to purchase Shares hereunder shall be exercisable only by the Optionee.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void.

15.2 So long as Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee over the Shares are personal, can not be transferred, assigned, pledged or mortgaged, other than by will or pursuant to the laws of descent and distribution.

16. EFFECTIVE DATE AND DURATION OF THE ESOP

The ESOP shall be effective as of the day it was adopted by the Board and shall terminate at the end of Ten (10) years from such day of adoption, unless terminated earlier in accordance with Section 17 hereof.

17. AMENDMENTS OR TERMINATION

The Board may at any time, but when applicable, after consultation with the Trustee, amend, alter, suspend or terminate the ESOP. No amendment, alteration, suspension or termination of the ESOP shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Company, which agreement must be in writing and signed by the Optionee and the Company. Termination of the ESOP shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the ESOP prior to the date of such termination.

18. GOVERNMENT REGULATIONS

The ESOP, and the grant and exercise of Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel any other State having jurisdiction over the Company and the Optionee, including, without limitation, the United States Securities Act of 1933, the Companies Law, the Securities Law, 1968, and the Ordinance, and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

19. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES

Neither the ESOP nor the Option Agreement with the Optionee shall impose any obligation on the Company or an Affiliate thereof, to continue any Optionee in its employ or service, and nothing in the ESOP or in any Option granted pursuant thereto shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

20. GOVERNING LAW & JURISDICTION

The ESOP shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel Aviv and Haifa districts, Israel shall have sole jurisdiction in any matters pertaining to the ESOP.

21. INTEGRATION OF SECTION 102 AND TAX COMMISSIONER'S PERMIT

21.1. With regards to Approved 102 Options, the provisions of the ESOP and/or the Option Agreement shall be subject to the provisions of Section 102 and the Income Tax Commissioner's permit, and the said provisions and permit shall be deemed an integral part of the ESOP and of the Option Agreement.

21.2. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the ESOP or the Option Agreement, shall be considered binding upon the Company and the Optionees.

22. TAX CONSEQUENCES

22.1 Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Optionee), hereunder, shall be borne solely by the Optionee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Optionee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

22.2 The Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

22.3 To the extent provided by the terms of an Option Agreement, the Optionee may satisfy any tax withholding obligation relating to the exercise or acquisition of Shares under an Option by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Optionee by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) subject to the Committee's approval on or prior to the payment date, authorizing the Company to withhold Shares from the Shares otherwise issuable to the Optionee as a result of the exercise or acquisition of Shares under the Option in an amount not to exceed the minimum amount of tax required to be withheld by law; or (iii) subject to Committee approval on or prior to the payment date, delivering to the Company owned and unencumbered Shares; provided that Shares acquired on exercise of Options have been held for at least 6 months from the date of exercise.

22.4 Withholding. The Company shall have the right to deduct from all amounts paid to an Optionee in cash (whether under this Plan or otherwise) any taxes required by law to be withheld in respect of Options under this Plan. In the case of any Option satisfied in the form of Common Stock, no shares shall be issued unless and until arrangements satisfactory to the Committee shall have been made to satisfy any withholding tax obligations applicable with respect to such Option. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to retain, or the Committee may, subject to such terms and conditions as it may establish from time to time, permit Optionees to elect to tender, Common Stock (including Common Stock issuable in respect of an Option) to satisfy, in whole or in part, the amount required to be withheld.

22.5 In respect of any employer's tax liability derived only for the purpose of employment taxes such as in the case of social taxes, the Company should not bear any tax due at the time of Sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

22.6 Notwithstanding anything herein to the contrary, only in the event that termination of employment not for Cause with the Company, where the Company is the initiator, the Company should bear the tax liability derived only for the purpose of employment taxes such as in the case of social taxes.

22.7 For avoidance of any doubt, notwithstanding anything herein to the contrary, if termination of employment or service is for Cause, the Company should not bear any tax liability derived due to the exercise and or sale of the options as a result of Optionee's termination.

23. NON-EXCLUSIVITY OF THE ESOP

The adoption of the ESOP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of options to purchase shares of the Company otherwise than under the ESOP, and such arrangements may be either applicable generally or only in specific cases.

For the avoidance of doubt, prior grant of options to optionees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

24. MULTIPLE AGREEMENTS

The terms of each Option may differ from other Options granted under the ESOP at the same time, or at any other time. The Board may also grant more than one Option to a given Optionee during the term of the ESOP, either in addition to, or in substitution for, one or more Options previously granted to that Optionee.

25. Disputes

Any dispute or disagreement which may arise under or as a result of or pursuant to this Plan or the Options Agreements shall be determined by the Board in its sole discretion and any interpretation made by the Board of the terms of the Plan or the Option Agreements shall be final, binding and conclusive.

Adopted by the Board on _____, 2007

Signed

Title

Exhibit 10.3

IceCure Medical Ltd.

Remuneration Policy

August 2021

Contents

Background

The Remuneration Policy is a policy regarding terms and conditions of service and employment of Company executive officers pursuant to the Companies Law, 5759 - 1999 (hereinafter referred to as "**The Companies Law**" and "**The Remuneration Policy**", respectively), and is part of the requirement of Amendment 20 of the Companies Law, which is aimed at regulating the remuneration structure for executive officers, inter alia, in publicly traded companies.

On February 23, 2020 and February 26, 2020, the Remuneration Committee and the Company's Board of Directors, respectively, approved the Company's Remuneration Policy, which includes the principles for current remuneration (fixed remuneration), bonus remuneration (variable remuneration in the short and medium term) and equity remuneration (long term variable remuneration).

The principles of the remuneration policy were formulated following internal discussions held by the Remuneration Committee and the Company's Board of Directors. The remuneration policy principles are aimed at providing informed, fitting and fair remuneration to the Company's executive officers, which will ensure that the remuneration of the executive officers is consistent with the good of the company and its strategy, taking into account the company's risk management policy, while in parallel increasing the executive officers' sense of identity with the company and its activities. The considerations that guided the Remunerations Committee, when determining the remuneration policy, took into account, inter alia, the size of the company and the nature of its activities.

In our view, this document ought to be used by the company over the next three years and will be reviewed periodically.

The publication of this document is aimed at increasing transparency, enabling shareholders to express their views and improving their ability to influence the remuneration policy of company executive officers.

This document is drafted in the masculine for convenience only, but it relates to both genders.

About the Company

Since its inception, IceCure has been researching and developing medical devices for the treatment of tumors, using tumor cryoablation technology, as an alternative to surgery to remove the tumor. As at the date of this report, the Company has two commercial products, one for the treatment of breast tumors, and the other for the treatment of tumors in a variety of other clinical indications, in addition to breast cancer. The company has proven technology, with broad intellectual property protection and regulatory approvals to market, in, inter alia, the USA (FDA), in Europe (CE) and in Israel (MDA – Medical Devices and Accessories), as well as in China (CFDA), [1] Singapore, Hong Kong, Mexico and Australia.

The company has a management team with extensive and proven experience and achievements in the relevant areas and the company wishes to continue to preserve its human resources, as stated. The company is experiencing competition for high quality personnel, which exists in the general market in both the public and private companies sectors and, of course, in the medical device companies market in Israel.

[1] As at the date of publication of the report, the Company has obtained CFDA authorization to market the IceSence 3^{TM} product in China, without needles.

Definitions

Executive Officers – Chief Executive Officer, Chief Business Officer, Deputy CEO, Vice CEO, all who hold such position in the Company even though they are labeled different, as well as a Director, or manager directly subordinate to the CEO.

Applicability – This document is valid from the date of the approval of the policy by the General Assembly of Company shareholders.

Terms and Conditions of Service and Employment – terms and conditions of service of employment of an executive officer, including granting an exemption, providing insurance, an undertaking for indemnity or indemnity under an indemnity permit, a retirement bonus and any other benefit, other payment or undertaking to pay such, provided by virtue of such service or employment.

Subordinates to the CEO – Executives in the company who work directly under the CEO's management, including the VP of R&D, VP of Clinical Practices and Regulation, the CFO, VP of Marketing and Sales and the like.

Basic Salary – the regular salary of an executive officer. For the elimination of doubt, the basic salary does not include any reimbursement of expenses.

Management Fee / Fee – Remuneration of an executive officer based on the submission of an invoice and not by means of a salary. An executive officer who receives the remuneration in this manner is not entitled to social benefits and the management fees reflect the entire cost of his employment.

The rates and maximum amounts in this policy document are for full time employment, except with respect to the Chairman of the Board.

The Objectives of the Remuneration Policy

The objective of the Company's Remuneration Policy Program is to help meet the Company's goals, objectives and milestones. The program ought to serve as a platform for retention and / or recruitment when key executives are needed, emphasizing the creation of an attractive remuneration program on the one hand that meets market conditions on the other hand.

1. **Generating Motivation to Achieve Results While Balancing Risk Taking**

   The executive remuneration program should encourage managers to meet company goals as set by its organs. The program is designed to encourage compliance with the goals in the various timeframes (short, medium and long term) and adapt them to a performance based program while taking risks in accordance with the policy decided by the company.

2. **Preservation of Executive Officers**

   The remuneration program will encourage executive officers to remain in the company and reduce the rate of manpower turnover among this demographic. One of the important goals that the Remuneration Committee perceived, is creating value in retaining the senior executives who are capable of leading the company to business success. In order to achieve this goal, the remuneration plan must balance the fixed remuneration and the reward for achieving short term and long term objectives. This is a key point in creating added value for stockholders.

3. **Instituting the Principles of Remuneration for Executives**

   The remuneration policy is designed to create an infrastructure for the ongoing management of the remuneration of executive officers in the company. Its purpose is to establish principles that will guide the company's management team in the future. For this purpose, this plan outlines policies, principles and salary ranges. In order to keep these principles up to date, the Committee will review the program periodically.

4. **Analysis and Measurement of the Business Results vis-à-vis Remuneration**

   The purpose of the remuneration policy is to enable a periodic assessment of the level of performance measured against the remuneration granted to the Company's executive officers by the Board of Directors.

Remuneration Policy

Background

In accordance with the remuneration policy objectives and in accordance with the market in which the company competes, including competition for personnel, the company rewards the executive officers in three strata, all or part thereof: [2]

1. **The Fixed Component** – monthly remuneration or professional fees / management fees. The fixed component is determined according to the position, the individual characteristics of the executive officer subject and the prevailing market conditions. This component is intended to provide certainty and stability for the executive officer.

2. **Annual Grants / Bonus** – a variable component for the medium term to generate incentives for special achievements attained by executives. This remuneration is intended to incentivize the executive officer to work towards advancing the company's objectives with annual and / or semi - annual and / or quarterly perspective.

3. **Equity Remuneration** – a long term variable component based on improving the company's shares performance and contributing to the retention of the executive officer in order to create a relationship between the executive officers and the company's performance over time. In addition, this remuneration incentivizes the executive officer to create value for the company's shareholders.

4. Following is the structure of the remuneration package and the maximum ratio of the components:

Position	Chairman of the Board of Directors	Chief Executive Officer	Subordinates to the CEO
Fixed Remuneration	Up to 100%	26% to 100%	26% to 100%
Variable Remuneration	Up to 100%	Up to 74%	Up to 74%

It would be prudent to clarify that the Company may grant a remuneration package at a lower rate than the rates set out in the table above.

It would be prudent to clarify that this policy does not require the Company to provide variable remuneration (medium and long term) in practice.

In the process of approving each annual and / or semi - annual and / or quarterly work plan by the Board of Directors, changes in the Company's objectives, market conditions, the Company's state of affairs and the like will be reviewed annually. Accordingly, the Company may update the targets with respect to each executive officer.

[2] Notwithstanding the foregoing, the Company is at liberty to not remunerate the members of the Board of Directors, with the exception of the external directors and the independent director. In addition, the Company is at liberty to determine that remuneration to the members of the Board of Directors will be based entirely upon fixed remuneration and / or variable remuneration, pursuant to the decision of the Compensation Committee and the Company's Board of Directors. In the event that the Company decides to do so, such remuneration will be approved pursuant to the provisions of the law.

1. **Monthly Salary**

1.1. The basic salary of an executive officer in the company will not exceed the relevant maximum amount referred to in section 1.4 below. The maximum salary amounts for executive officers are determined in accordance with the remuneration of comparable executive officers in similar companies according to the size, nature of the activity and market value of the company. All this in addition to desirable internal pay ratios as outlined above.

1.2. In determining the basis salary for a new position, the following considerations will be taken into account:

1.2.1. Past experience, performance and achievements of the executive officer;

1.2.2. Position and areas of responsibility;

1.2.3. His education, expertise and skills;

1.2.4. The ratio of salary to other employees of the company and to the other executive officers;

1.2.5. The ratio to executive salaries at a comparable level in similar companies.

1.3. When updating the salary terms of an incumbent executive officer, the following will also be considered:

1.3.1. His performance and contribution to the company;

1.3.2. The desire to preserve the executive officer in the company.

1.3.3. Updating the responsibilities of the executive officer.

1.4. The following are the monthly basis salary of the Company's executive officers (thousands of Shekels) for full time position:

Position	Chief Executive Officer	Subordinates to the CEO
Fixed Remuneration	92	62

The basic salary updates for the executive officers will be carried out with the approval of the Board of Directors. The salary update will not exceed the maximum amount listed in section 1.4, except if the comparisons to appropriate benchmark companies change, and this will be subject to approval as required by the provisions of the law.

The Company reserves the right, subject to the required legal approvals, to link the salaries of its executive officers to the increase in the Consumer Price Index.

To the extent that the remuneration is effected by means of a payment of professional fees (against the submission of an invoice), the Company may increase the payment up to a factor of 1.4 as compensation for the non - application of the social benefit components.

1.5. **Change the Terms of Employment**:

The Company will be entitled to increase the remuneration of the Company's executive officers, solely with the approval of the Compensation Committee, as long as the volume of annual (calendar) increase with respect to the executive officer, with the exception of with respect to the CEO, does not exceed 10% of the remuneration to which the executive officer is entitled before the amendment, and with respect to the CEO of the Company, as long as the increase does not exceed 5% of the CEO's remuneration before the amendment, and all subject to the remuneration limit amounts laid down in the remuneration policy with respect to any executive officer. It would be prudent to clarify that an increase will not be regarded as a change in the terms of employment for the purposes of this section (hereinafter: "**An Insignificant Amendment**").

Notwithstanding the foregoing, an insignificant amendment to the terms of office and employment of executive officers who are subordinate to the CEO of the company, who comply with the limits set in this remuneration policy, can only be approved solely by the CEO of the company.

Reasons Expressed by the Remuneration Committee:

The CEO's remuneration and that is his subordinates is determined by the remuneration policy based on the Comparison Data Survey conducted in February 2020, with the stated executive officers positioned within the range of companies and executive officers listed in the survey.

In light of the above, the Commission found it appropriate to approve the remuneration limits in this chapter.

2. **Associated Social Benefits**

The Company is at liberty to grant the executive officers in the company associated social benefits and discrepancies over and above that provided by the law and extension orders and in accordance with what is customary. Additional benefits include, inter alia, vacation, medical insurance, recuperation, pension fund provisions, loss of work capacity insurance provisions, severance pay and advanced studies fund provisions. In addition, the Company is at liberty to provide the executive officer, for purposes of carrying out his job, with a company vehicle, a mobile phone, a laptop computer, a subsidy for studies / advanced studies and accreditations in Israel and abroad, holiday gifts, medical examinations and other expenses, as determined by the Company's Board of Directors. The company is at liberty to determine that it will bear all the expenses associated with associated social benefits, including embodying the taxation thereof.

2.1. **Vehicle** - An executive officer may qualify for a vehicle that is put at his disposal and for his personal use under an operating lease as follows:

- CEO – up to a cost of NIS 220,000 or a monthly operating lease of NIS 6,000, linked to the Consumer Price Index.
- Subordinates to the CEO – up to a cost of NIS 190,000 or a monthly operating lease of NIS 5,000, linked to the Consumer Price Index.

The vehicle component can be fully embodied in the pay slip.

The Company may convert the executive officer's entitlement to remuneration, and no more than the amount of cost the Company would have incurred should it had provided the vehicle as stipulated.

The executive officer bears the payment of any tax that may apply due to the above stated conditions.

Insofar as the labor laws are amended, it would be prudent to clarify that the social benefits will not be less than what is prescribed under the provisions of the law.

3. **Signing Bonus**

With respect to an executive officer joining the company, the company is at liberty to pay a signing bonus of up to 3 monthly basic salary. It would be prudent to clarify that the signing bonus will be calculated as part of the cash payment component, at the total cost of the compensation plan.

The Compensation Committee deemed it appropriate, given the high level of competition for qualified personnel, to approve the ability to grant a signing bonus to the executive officers that the company wishes to bring on board.

4. **Retention Bonus**

4.1. The Company may pay the executive officer a retention bonus in special cases.

4.2. Any retention grant of an executive officer will be brought before the Board of Directors for approval.

4.3. This limit of this bonus will amount to 5 basic monthly salaries of the executive officer, throughout the entire policy period (3 years from the date of approval on the part of the General Assembly).

The Compensation Committee deemed it appropriate, given the high level of competition for qualified personnel, to approve the ability to grant a retention bonus to executive officers in the company. The Committee emphasizes that this is a bonus that will only be approved in special cases. The Board of Directors will examine the circumstances under which this bonus will be awarded, the contribution of the executive officer to the success of the company and the financial state of the company.

5. **Variable Remuneration – Short to Medium Term Bonus as Part of the Salary**

The purpose of this remuneration is to encourage meeting business goals. This remuneration creates an automatic balancing mechanism that economically embraces the executive officers when they have met their assigned goals and, on the other hand, lowers the cost of their work when goals are not met. The bonus creates the motivation for the executive officer to improve business performance.

Executive Retention – Retaining top notch executive officers is not a primary goal of bonus programs, yet the ability to reward performance beyond current salaries is another tier of the company's ability to retain its best executives.

The executive officers may and will be eligible for an annual bonus based on predetermined goals (from the goals listed in section 5.7 below) which will be submitted to the Compensation and to the Board of Directors for approval.

Following are the principles for the company's annual bonus program:

The Company is at liberty to grant executive officers an annual bonus not exceeding the maximum limit set forth below and such bonus will be subject to three of the five threshold conditions for eligibility for the annual bonus (as laid down below), based on a plan which will be approved by the Compensation Committee and the Board of Directors in advance, and which will remain in force until the approval of the financial statements with respect to the subsequent year.

5.1. Threshold Conditions–

5.1.1. Signing an agreement with a potential income of not less than NIS 2 million for five years from the date of signing.

5.1.2. Obtaining regulatory approval or insurance indemnity for the distribution and sale of the company's product in a country where there is no such approval and the potential market size in that country at the time of obtaining the approval is at least NIS 20 million.

5.1.3. Penetrating a new market by signing a distribution agreement in a country where the company has not operated so far and the potential market size in that country at the time of obtaining approval is at least NIS 20 million.

5.1.4. Increase the Company's total sales revenue by at least 10% (ten percent) relative to the Company's sales revenue in the preceding calendar year, in accordance with the Company's consolidated and audited financial statements as of December 31 of each year.

5.1.5. On December 31 of the end of the bonus year, the Company has cash balances that guarantee 12 months of activity (before the grant is paid) in accordance with the work plan approved by the Board of Directors.

The bonus payment date – the bonus will be paid to executive officers immediately after having achieved the target, together with the salary paid to the same executive officer, or at the date of the approval by the Board of Directors of the financial statements for that year, at the end of the calendar year in which the target was achieved,

at the sole discretion of the company's Board of Directors.

The officer worked / provided services to the company only during a part of a particular calendar year and the Board of Directors resolved, at its sole discretion, to pay the executive officer the bonus for that period, and the target was spread over a period, the company may calculate the bonus pro rata for the period (insofar as such is relevant).

5.2. **A Discretionary Bonus to the CEO of the Company Based on Criteria that Cannot be Gauged**

The Company is at liberty to grant the CEO of the Company a bonus which will be based on criteria that cannot be gauged and taking into account the CEO's contribution, provided that the amount of the grant will not exceed the higher of the following two alternatives: (a) Three monthly salaries of the CEO in that same calendar year for which the bonus is granted (b) 25% of the actual variable remuneration, subject to the maximum amount of the variable component to the CEO derived from the ratio set in this policy.

5.3. **A Discretionary Bonus to the Executive Officers subordinate to the CEO of the Company Based on Criteria that Cannot be Gauged**

The Company is at liberty to grant a bonus to the executive officers subordinate to the CEO, a bonus which will be based on criteria that cannot be gauged and taking into account the contribution of the executive officer, only if the amount of the bonus does not exceed: (a) Three monthly salaries of the stated executive officers in that same calendar year for which the bonus is granted (b) 25% of the actual variable remuneration, subject to the maximum amount of the variable component to the executive officer derived from the ratio set in this policy.

5.4. **Restrictions**

The Board of Directors is at liberty, at its discretion, decide to reduce the amount of the bonus and to even refrain from paying the bonus, if, in the opinion of the Board of Directors, there are financial considerations at the company level or specific considerations at the level of the executive officer – which require the reduction or the avoidance of paying the grant.

Every executive officer who is entitled to such a bonus, prior to receiving the actual bonus or prior to the commencement of employment with the Company, will undertake to repay, to the Company, within 30 days from the date of the Company's request, the amount of the bonus actually paid or part thereof, if it transpires that the bonus or part thereof was paid on the basis of data that turned out to be misleading and were presented anew in the company's financial statements.

5.5. A bonus may be paid to executive officers who have completed their term of service during the course of the year, as long as they have met the stated goals before their term of service terminates. The Compensation Committee will examine the circumstances of the retirement, the contribution of the executive officer to the success of the company and the financial state of affairs of the company.

5.6. With the exception of otherwise being expressly provided in a personal employment agreement, any remuneration paid to the executive officer against a variable remuneration, pursuant to this remuneration policy, insofar as such bonus will be paid, is not and will not be considered part of the regular salary of any executive officer to all intents and purposes and will not constitute a basis for calculating or qualifying or accruing any accompanying right whatsoever, including, and without derogating from the stated generality, such will not be used as a component included in the payment of vacation pay, severance pay, provident fund provisions, and so on.

5.7. **Following are the Parameters in all Matters of Related to the Bonus for Executive Officers in the Company**

Chief Executive Officer

Range	Up to 6 monthly salaries

Terms and Conditions

The calculation of the annual bonus amount awarded to the CEO will be effected according to the two categories listed below:

A. A bonus will be paid to the CEO, as far as the CEO will meet pre-determined indexes, each calendar year relative to the subsequent year, by the Compensation Committee and the Company's Board of Directors.

The stated indices will include at least two performance or financial indices (from the list of indices listed below) of a weight not exceeding 50% of the total weight of the bonus per index and of a total weight not less than 80% for both indices.

Following is the List of Indexes:

1. Increasing the total sales turnover;
2. Signing an agreement with a potential turnover as such will be determined;
3. Signing an agreement with a collaborator;
4. Sales turnover;
5. Operating profit;
6. Cash flow;
7. Net profit;
8. Raising capital;
9. Meeting the budget expenditure plan;
10. Obtaining regulatory authorizations;
11. Obtaining insurance reimbursements for the company's products;
12. Significant agreements for company activities and its status in the field of its operations;
13. Penetration into new markets which did not exist in the preceding year
14. Signing a significant deal with a strategic partner;
15. Meeting milestones of the development of new products and / or projects

b. Board of Director's Evaluation

Quality assessment on the part of the Board of Directors at a rate not exceeding 20%, with respect to the performance and contribution of the Chief Executive Officer to the Company's activities during the preceding year.

It would be prudent to clarify that the weight to be given to the above two categories in aggregate, when making a decision to award a bonus to the CEO, will not exceed 100%.

Subordinates to the CEO

Range: Up to 5 monthly salaries

Terms and Conditions

The calculation of the annual bonus amount awarded to the subordinates of the CEO will be effected according to the two categories listed below and will be paid to the subordinates to the CEO, insofar as they will meet pre-determined indexes, each calendar year, by the CEO of the Company and approved by the Company's Board of Directors.

a. The stated indices will include at least two performance or financial indices from the list of indices listed below of a weight not exceeding 50% of the total weight of the bonus per index and of a total weight not less than 80% for both indices.

Following is the List of Indexes:

1. Increasing the total sales turnover;
2. Signing an agreement with a potential turnover as such will be determined;
3. Sales turnover;
4. Cash flow;
5. Operating profit;
6. Net profit;
7. Raising capital;
8. Penetration into new markets which were not integrated into the company's operations during the parallel period in the preceding year;
9. Meeting the budget expenditure plan;
10. Obtaining regulatory authorizations;
11. Obtaining insurance reimbursements for the company's products;
12. Meeting milestones of the development of new products;
13. Significant agreements for the company's operations and its status in the fields of its activities;
14. Signing a significant deal with a strategic partner;
15. Meeting milestones of the development of new products and / or projects.
16. Publishing articles related to the company's products
17. Meeting production quotas.

b. CEO's Evaluation

Quality assessment on the part of the CEO of the company at a rate not exceeding 20%, with respect to the performance and contribution of the executive officer to the Company's activities during the preceding year.

The accumulative weight to be given to the above two categories will total 100%.

6. **Variable Remuneration – One Off Bonus**

In addition to the above, the Company may decide to grant a one off bonus to executive officers, including to the Chairman of the Board of Directors and / or to non - external directors, for unexpected and extraordinary projects or achievements that are not part of the Company's normal course of business, in which the executive officer has taken an active part and has made a significant contribution to the success / completion of the project or activity. This one off bonus will be brought for the approval of the organs as required by the provisions of the law. The amount of this bonus may not exceed 4 monthly salaries per executive officer depending on such executive officer's contribution to the success / completion of the project or activity. It would be prudent to clarify that this one off bonus is separate and is not related to the annual bonus and / or the retention bonus and / or the bonus regarding the sale of the Company or the sale of a substantial part of the company's activities.

For the elimination of doubt – the total of the following variable benefits: Annual bonus (Section 4 of the Remuneration Policy), Retention bonus (Section 3 of the Remuneration Policy) and a one off bonus (as stipulated in this section), will not exceed 10 monthly salaries per year.

7. **Variable Remuneration – Special Bonus with Respect to the Sale of the Company or a Significant Part Thereof (by way of Shares, Assets or a Merger**

The Company is at liberty to grant a bonus to non - external directors, including the Chairman of the Board of Directors, the CEO and those subordinate to the CEO, as determined by the Compensation Committee and the Board of Directors, in the event of the sale of the Company or a substantial part of its activities (by way of shares, assets or a merger). The bonus will be derived from the value of the transaction, subject to a total maximum of 6% of the value of the transaction to the Directors, including the Chairman of the Board of Directors, the CEO and those subordinate to the CEO (without taking into account the remuneration owing to those stipulated due to their rights in the company's capital or any other bonus or remuneration).

For the elimination of doubt, the special bonus will be granted over and above goal - based bonuses.

8. Variable Bonus – Long Term Equity

The purpose of awarding equity remuneration is to create an identity of interests between the long term business results of the company and the remuneration of its executive officers. In addition, awarding equity remuneration, from the perspective of the company, is a tool for retaining quality managers. Following are the principles for this remuneration:

8.1. The Company will provide equity based remuneration to its executive officers from time to time at the discretion of the Board of Directors.

8.2. The waiting period will not be less than one year, except in cases of acceleration pursuant to the Company's employment agreement and / or options plan, as such will be in force from time to time, or in the event the waiting period is dependent on the achievement of specific objectives.

8.3. The Company's Board of Directors (and with respect to the CEO and the directors, in accordance with the authorizations required by the provisions of the law) will be at liberty to establish an automatic mechanism that enables immediate acceleration of equity remuneration terms and conditions, only in the case of a sale transaction, except with respect to the controlling shareholder for which no such mechanism can be applied.

For this matter, a "sale transaction" is: (1) The acquisition of the Company's shares or the merger of the Company with a third party, consolidation, reorganization and / or refinancing provided that such event results in the event laid out in paragraph (3) below; or (2) The sale or transfer of all or the majority of the issued and paid up share capital of the Company; or (3) Any transaction or number of transactions in the wake of which the Company's shareholders, immediately prior to the transaction, will hold, directly or indirectly, less than 50% of the voting rights in the company or in the surviving entity after the transaction, with the exception such change arising from a public share offering. It would be prudent to clarify that the Board of Directors of the Company may diminish the definition of a "sale transaction" at the time of granting of the equity remuneration, and determine that "a sale transaction is one or more of the above criteria".

8.4. The realization price will be determined by the average of the last 30 trading days prior to the date of the grant, with 5% added.

8.5. Expiry date – up to 10 years from the date of allocation.

8.6. The awarding of equity remuneration will be granted, insofar as possible, under Section 102 of the Income Tax Ordinance for persons employed in Israel (in cases of employees employed abroad, in accordance with the law in force in those countries).

8.7. When granting equity remuneration to an executive officer, there will be 2 maximum amounts to the awarding action, when the actual remuneration is the lesser of:

1) An examination of the remuneration value against the amount of annual salaries listed below (the maximum amount for value purposes will be calculated based on accepted valuation methods (such as Black & Scholes / binomial). The maximum amount is for a year based on a linear calculation.

2) An examination that the level of dilution for shareholders will not exceed the rate listed below.

8.8. Following are the maximum amounts:

Position	Chief Executive Officer	Subordinates to the CEO
Maximum Number of Monthly Salaries	24	24
Maximum Dilution Amount	5%	2.5%

8.9. Considerations in determining the scope of such remuneration will be, inter alia, the contribution of the executive officer to the achievement of the company's objectives and the maximizing of its profits and all in a long term perspective and in accordance with the role of the executive officer.

8.10. The other terms for the equity remuneration will be in accordance with the Company's existing stock options plan or any other equity remuneration program adopted by the Company.

The Remuneration Committee deems it appropriate to link the Company's results to the remuneration of its executive officers. The higher the executive level, the higher the performance - dependent remuneration will be. The value of the bonus when granting equity remuneration options will be determined on the basis of generally

accepted valuation methods (such as Black & Schultz / the binomial model). This method examines, inter alia, the standard deviation of the company's stock, and insofar as the deviation is higher, the higher is the value of the benefit. The Committee examined and perceived that the stock fluctuation is very high, and therefore the Committee deemed it appropriate to approve these ranges in equity remuneration.

9. Repayment as a Result of an Error (Clawback)

At the time of the payment of the bonus, the executive officers will sign an undertaking to repay the full amount, or part thereof, of the bonus to the Company in the event that it becomes clear in the future that the calculation of the bonus was based on data that turned out to be incorrect and which was re-introduced into the financial statements. Repayment will not be effected in the event of changes in accounting standard and rules of reporting. Repayments will be effected up to one year from the date of the conclusion of the transaction.

10. Reduction at the Discretion of the Board of Directors

The Board of Directors is at liberty to reduce the scope of the variable remuneration, at its discretion.

11. **Termination of the Contractual Association**

11.1. Notice

An executive officer is entitled to advance notice in writing and a heads-up as follows:

- CEO – entitled to written advance notice of up to 180 days.
- Subordinate to the CEO – entitled to written advance notice of up to 150 days.

11.2. The Compensation Committee and the Board of Directors will review the granting of the retirement bonuses listed below and, inter alia, will examine the contribution of the executive officer to the achievement of the Company's objectives, the Company's financial state of affairs and the circumstances of his retirement

11.3. **Special Retirement Bonuses**

Seniority	The Validity of the Right from the End of the Date of Employment
Over 3 years	Up to 3 months of acclimatization
Over 5 years	Up to 6 months of acclimatization

11.4. The Company will be at liberty to grant the employee a supplementation of severance compensation when the employee retires under circumstances that do not impart the Company with the right to negate severance compensation.

11.5. In addition to the above conditions and the provisions of the law, no additional bonuses will be granted with respect to retirement.

12. **Remuneration of the Chairman of the Board of Directors**

12.1. The Chairman of the Board of Directors will be entitled to a monthly remuneration of not more than NIS 100,000 for a full time position. In the case of a Chairman of the Board who has additional expertise in the Company's operations and / or in other areas where the Board of Directors has decided that such are vital to the Company, the maximum remuneration amount will not exceed US $ 120,000 for a full time position. It would be prudent to clarify that in the event that the Chairman of the Board does not serve in a full time position, the calculation of the maximum monthly remuneration amount will be linear in terms of the percentage rate of the position.

12.2. The Company is likely to grant equity remuneration to the Chairman of the Board of Directors. The fair value of the securities granted to the Chairman at the date of the grant, as reflected in the Company's financial statements, will be calculated on the basis of generally accepted valuation methods (such as Black & Scholes / binomial) and will not exceed a total of 24 monthly salaries per year, in such a manner that the dilution level for shareholders does not exceed 1.5% of the company's issued and paid-up share capital, being fully diluted.

12.3. The other long term equity remuneration provisions applicable to executive officers pursuant to this remuneration plan will also apply to the grant of equity remuneration to the Chairman of the Company's Board of Directors.

13. **Remuneration of Directors (Excluding the Chairman of the Board)**

13.1. The Directors of the Company will be entitled to annual remuneration and a participation bonus as determined in accordance with the provisions of the Companies Regulations (Rules Regarding Remuneration and Expenditure for an External Director), 5760 - 2000, as such will be in force from time to time, in accordance with the Company's ranking as such may be from time to time. In addition, the directors in the company will be entitled to the reimbursement of travel and parking expenses. In the case of a director who has additional expertise in the Company's operations and / or in other areas deemed by the Board of Directors to be vital to the Company, the Company will be entitled to grant that same Director with remuneration, provided that the total remuneration to which the Director is entitled will not exceed US$ 120,000.

13.2. The Company may, from time to time, provide equity remuneration to directors, including external directors and independent directors. The fair value of securities granted to directors at the time of the granting, as reflected in the Company's financial statements, will be calculated on the basis of generally accepted valuation methods (such as Black & Scholes / binomial) and will not exceed the rate of 50% of the aggregate annual remuneration and participation consideration provided to the board members.

13.3. The rest of the long term equity remuneration provisions applicable to executive officers under this remuneration plan will also apply to the grant of equity remuneration to Directors of the Company.

14. Liability, Exemption and Indemnification Insurance

14.1. The Company will be at liberty to grant executive officers an exemption from liability, liability insurance (including Run-Off and Side A type insurance policies) as well as an indemnity obligation, as is customary in the Company, all subject to the provisions of the Companies Law and the Company charter and pursuant to the following limitations:

14.1.1. The maximum amount of accumulative indemnity for all Company executive officers will be limited to 25% of the Company's equity capital as at the date of the actual indemnity payment.

14.1.2. The exemption from liability does not apply to a resolution or transaction regarding which the controlling shareholder or any executive officer of the company (as well as any other executive officer for whom the letter of exemption is granted) has a personal interest.

14.2. Without derogating from the generality of the above stated, the Company will be at liberty, at any time during this remuneration policy period, to purchase liability insurance policies for the directors and the executive officers (including the controlling shareholders), as such will serve in the Company from time to time, to extend and / or to renew the existing insurance policy and / or to take out a new policy on the renewal date or during the course of the insurance period, with the same insurer or with another insurer in Israel or abroad, under the conditions laid down below, for liability insurance for directors and / or executive officers, provided that the said insurance policies are on the basis of the principles of the terms and conditions laid down below and the Remuneration Committee has approved such:

14.2.1. The insurance cover under each policy to be purchased will be of an amount not be less than US $ 3,000,000 for all Company executive officers;

14.2.2. The annual insurance premium will not exceed US $ 100,000; except in the case of overseas registration, where the insurance premium will not exceed US $ 5,000,000.

14.2.3. The Remuneration Committee will annually approve the amount of insurance coverage and the premium amount in accordance with paragraphs 13.2.1 and 13.2.2 above and after verifying that the amounts are reasonable under the circumstances, given the Company's exposure and the market conditions;

14.2.4. The insurance policy will be expanded to cover claims filed against the company itself (as distinct from claims against directors and / or the executive officers in the company) the gist of which is a violation of securities laws at least in Israel (entity coverage for securities claims) and payment arrangements for insurance benefits will be determined by which the rights of directors and / or executive officers to be granted indemnity by the insurer under the policy, precedes the right of the Company;

14.2.5. The policy will also cover the liabilities of directors and executive officers who are considered to be controlling shareholders in the company or their relatives, from time to time, as long as the terms of the cover for such do not exceed those of the other directors and / or executive officers of the group.

15. **Management, Control and Overseeing**

The authorization on the part of the Board of Directors for the remuneration of executive officers will be monitored and controlled as follows:

15.1. Remuneration for executive officers, as stated, will be in accordance with the Remuneration Policy and will be approved by the lawfully authorized organs; the Company will act subject to any existing and future provisions of the law, the gist of which is the Company's remuneration policy.

15.2. The Board of Directors is responsible for the management of remuneration and the implementation thereof and all necessary actions to that end, including the authority to interpret the remuneration policy provisions in case of doubt as to how to implement them.

15.3. The Company's Board of Directors will periodically, and at least once every three years, review the established remuneration policy and will update such as required, after obtaining the recommendations of the Remuneration Committee.

15.4. As deemed appropriate, the Board of Directors and the Remuneration Committee will seek the assistance of external consultants for the purpose of formulating / revising the remuneration policy as well as overseeing and controlling the policy as determined.

16. **Comparison of the Salary of Executive Officers to the Rest of the Employees, as at the Date of the Remuneration Policy Document**

The ratio of average and median salaries of executive officers to other employees (in effect as of the date of approval of the remuneration policy):

Position	Relative to the Average Salary [3]	Relative to Median Salary
CEO	3.7	4
Subordinates to the CEO	2.4	2.6

It would be prudent that we emphasize that, as at the date of publication of the Company's remuneration policy, 25 employees are not executive officers. It would be prudent to clarify that for the purposes of calculating the stated ratio, only the employees of IceCure Medical Inc. were included.

At the time that the remuneration policy was approved and the Remuneration Committee examined the existing gaps between the executive officers and the other employees and found that, in light of the nature and structure of the company, the ratios stipulated above will not affect the existing labor relations in the company. In addition, the Compensation Committee and the Board of Directors believe that these figures have a limited impact on the determination of the salaries of the executive officers in the Company, taking the structure of the Company into account.

[3] The ratio of average salaries and external salaries refers to the cost of salaries of the employees of the IceCure Medical Ltd. company only, and does not include the cost of salaries of the executive officers

Principles of the Manner of Determining Remuneration

When the Compensation Committee and the Company's Board of Directors come to examine and approve terms of office and the employment of an executive officer, the following issues, inter alia, will be considered, insofar as they are relevant to the position of the executive officer:

1. The education, skills, expertise, professional experience and achievements of the executive officer.

2. The role of the executive officer, the fields of his responsibilities and his expected contribution to achieving the company's goals.

3. Previous salary agreements of the executive officer.

4. Terms of employment of equivalent positions in the Company.

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Exhibit 10.4

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of January 26, 2021, between IceCure Medical Ltd., an Israeli corporation (the "Company") and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively, the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, if applicable, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement;

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.5.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"ADRs" means American Depositary Receipts with an institutional depositary representing Ordinary Shares.

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than Friday, Saturday, Sunday or other day on which commercial banks in The City of New York or Tel Aviv 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 Tel Aviv are generally are open for use by customers on such day.

"Closings" means each closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means each applicable Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the portion of the Subscription Amount due at such Closing and (ii) the Company's obligations to deliver the Securities due at such Closing, in each case, have been satisfied or waived. Subject to satisfaction of the respective conditions to each Closing, there are expected to be three Closing Dates.

"Commission" means the United States Securities and Exchange Commission.

"Ordinary Shares" means the ordinary shares of the Company, no par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Ordinary Shares Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares.

"Company Counsel" means Sullivan & Worcester, LLP.

"Disclosure Schedules" means the Disclosure Schedules of the Company delivered concurrently herewith.

"EGS" means Ellenoff Grossman & Schole LLP, with offices located at 1345 Avenue of the Americas, New York, New York 10105-0302.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) Ordinary Shares or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into Ordinary Shares issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.12(a) herein, and provided that any such issuance shall only be to a Person (or to the equity holders of a Person) 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, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities and (d) Securities issued due to a Recapitalization Event.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"FDA" shall have the meaning ascribed to such term in Section 3.1(kk).

"FDCA" shall have the meaning ascribed to such term in Section 3.1(kk).

"GAAP" shall have the meaning ascribed to such term in Section 3.1(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(bb).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Milestone" shall means both (i) the approval for listing on a tier of the Nasdaq Stock Market of the Company's ADRs and (ii) the effectiveness of the Registration Statement.

"Per Share Purchase Price" equals NIS0.533 as to the First Closing and the Second Closing, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Ordinary Shares that occur after the date of this Agreement but before the date of the applicable Closing.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Pharmaceutical Device" shall have the meaning ascribed to such term in Section 3.1(jj).

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.11(b).

"Pro Rata Portion" shall have the meaning ascribed to such term in Section 4.11(e).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Company Date" means the date that the Company's ADRs (or Ordinary Shares, if such are listed first) are approved for listing on the Nasdaq Stock Market.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.2(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.2(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.8.

"Recapitalization Event" means any event of share combination or subdivision, share splits, share dividends, bonus share issuance, combination or any other reclassification, reorganization or recapitalization or change of the Company's share capital where the shareholders retain their proportionate holdings in the Company, on an as-converted basis.

"Registration Statement" means a registration statement covering the resale by the Purchasers of the Shares and the Warrant Shares.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Securities" means the Shares and the Warrants.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the Ordinary Shares issued or issuable to each Purchaser pursuant to this Agreement.

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Shares purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.10(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.10(b).

"Subsidiary" means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Ordinary Shares is listed or quoted for trading on the date in question: the TASE, NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means _____ and thereafter any successor transfer agent of the Company.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.12(b).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares is then listed or quoted on a Trading Market, the daily volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on the Trading Market on which the Ordinary Shares is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Ordinary Shares so reported, or (d) in all other cases, the fair market value of a share of Ordinary Shares as determined by the Company's Board of Directors.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing.

(a) First Closing. On the First Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, at a price per share equal to the Per Share Purchase Price, an aggregate of $9,000,000 of Shares. Each Purchaser shall deliver to the Company via wire transfer, immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to each Purchaser its respective Shares and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the First Closing shall occur remotely via the exchange of documents and signatures or a location as the parties shall mutually agree.

(b) Second Closing. The Company shall notify the Purchasers upon achievement of the Milestone. The Second Closing Date shall be a Business Day within five (5) Business Days of notice from the Company. On the Second Closing Date, upon the terms and subject to the conditions set forth herein, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, an aggregate of $6,000,000 of Shares at the Per Share Purchase Price. Each Purchaser shall deliver to the Company via wire transfer, immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to each Purchaser its respective Shares and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Second Closing shall occur remotely via the exchange of documents and signatures or a location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the First Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) true and correct copies of written resolutions, or minutes of a meeting, of the Board of Directors of the Company, approving and adopting in all respects the execution, delivery and performance by the Company of this Agreement and the transactions contemplated hereby, including, among others, (i) authorizing the issuance and sale of the purchased Shares; and (ii) the approval of the execution, delivery and performance by the Company of all agreements contemplated herein to which the Company is party and any agreements, instruments or documents ancillary thereto;

(iii) a legal opinion of Company Counsel, in the form and substance reasonably acceptable to Purchasers;

(iv) a certificate evidencing a number of Shares equal to such Purchaser's Subscription Amount for the First Closing divided by the Per Share Purchase Price, registered in the name of such Purchaser;

(v) true and correct copy of the notice to the Israel Innovation Authority (previously known as the Office of the Chief Scientist of Israel's Ministry of Economy) ("**IIA**"), in the form attached hereto as Schedule 2.2(a)(xiii), with respect to this Agreement and the transactions contemplated hereunder;

(vi) the Company shall have provided each Purchaser with the Company's wire instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer;

(b) as to the Second Closing, a certificate of the Chief Executive Officer, attesting that that the Company's representations and warranties herein remain true and correct as of such Closing Date and that the Company continues to be in compliance with all covenants of the Company applicable at the time of such Closing, and that no Material Adverse Effect (as defined in Section 3.1) has occurred.

(c) as to the Second Closing, a certificate evidencing a number of Shares equal to such Purchaser's Subscription Amount for the Second Closing divided by the Per Share Purchase Price, registered in the name of such Purchaser and recorded into Company's duly authorized Shareholders Register; an updated copy of the Shareholders Register, in which the respective purchased Shares issued at the Second Closing are registered in the name of each of the Purchasers; and duly completed notices to the Israeli Registrar of Companies, ready for immediate filing, as are required for all matters arising in connection with the Second Closing;

(d) On or prior to each Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, the following:

(i) As to the First Closing Date only, (i) this Agreement duly executed by such Purchaser (ii) Undertaking to IIA executed by such Purchaser in the form attached hereto as Schedule 2.2 (e)(i); and

(ii) Such Purchaser's Subscription Amount for the applicable Closing by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the applicable Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the applicable Closing Date shall have been performed; and

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(e) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the applicable Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the applicable Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Sections 2.2(a)-(d) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and, as to the Second Closing only, the Milestone shall have been satisfied; and

(v) as to the Second Closing only, trading in the Ordinary Shares or ADRs shall not have been suspended by the Commission or the Company's principal Trading Market, and, at any time prior to the Closing Date, trading in securities generally shall not have been suspended or limited, or minimum prices shall not have been established on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Second Closing.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser as of the date hereof and as of the Closing Date (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and, if applicable under the laws of the jurisdiction in which they are formed, in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business in the State of Israel, and elsewhere, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification. The Company is not qualified to do business as a foreign corporation in any jurisdiction outside of Israel.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by

this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, to Company's knowledge, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except as set forth on Schedule 3.1(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents and the Company's Articles of Association. The Company has reserved from its duly authorized capital stock the maximum number of Ordinary Shares issuable pursuant to this Agreement.

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) includes the number of Ordinary Shares owned of record, by the shareholders of the Company as of the date hereof as well as Ordinary Shares reserved, granted or unallocated as options to employees and service providers of the Company. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents other than as set forth in the Company's Articles of Association. Except as set forth in Schedule 3.1(g) or as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever granted by the Company relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for granted by the Company, or giving any Person any right to subscribe for or acquire, any Ordinary Shares or the capital stock of any Subsidiary granted by the Company, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Ordinary Shares or Ordinary Shares Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue Ordinary Shares or other securities to any Person (other than the Purchasers). There are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all the applicable securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party.

(h) Financial Statements. The financial statements of the Company included in Schedule 3.1(h) comply in all material respects with applicable accounting requirements and the rules and regulations applicable in the State of Israel with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with Israeli generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included in Schedule 3.1(h), except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be expected to have a Material Adverse Effect on the Company.

(j) Litigation. Except as set forth on Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (Israeli, U.S. federal, state, county, local or foreign) (collectively, an "Action"). None of the Actions set forth on Schedule 3.1(j), (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement. To the knowledge of the Company, no executive officer of the Company or any Subsidiary is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer 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 Israeli state laws and regulations relating to employment and employment practices (including but not limited to employment, termination of employment, enforcement of labor laws, discrimination in employment, sexual harassment and other forms of harassment, terms and conditions of employment, notice to employees regarding employment terms, employee benefits (including contribution to the employees' benefits), worker classification (including the proper classification of workers as Company's contractors), engagement of Company servicers providers (including catering, security and cleaning services), wages, pay slips, working hours, overtime and overtime payments, working during rest days, social benefits contributions, termination and severance payment, engaging employees through services providers (including manpower employees and outsource employees), and occupational safety and health and employment practices, immigration), except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Other than their salaries, the employees of the Company are not entitled to any payment or benefit that may be reclassified as part of their determining salary for any purpose, including for calculating any social contributions. The Company has withheld and paid to the appropriate governmental entity, insurance companies, pension or similar fund or is holding for payment not yet due to such entities all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing. The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union except for those provisions of general agreements between the Histadrut and any Employers' Union or Organization which are applicable by Extension Order to all the employees in Israel. To the Company's best knowledge, no employee has violated any material term of his or her employment agreement (whether oral or in writing). To the Company's knowledge, none of its employees, consultant and service providers is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with such employee's, consultant's or service provider's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the transactions contemplated hereunder, nor the carrying on of the Company's business by the employees, consultants and/or service providers of the Company, nor the conduct of the Company's business as now conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee, consultant, or service provider is now obligated to the Company. The Company has no unsatisfied obligations of any nature to any of their former employees or consultants, and their termination was in compliance with all applicable legal requirements and contracts. There are no controversies pending or, to the knowledge of the Company, threatened, between the Company and any of its current or former employees or company' services providers, which controversies have or would reasonably be expected to result in a legal proceeding before any competent court in Israel. The Company has not received notice of complaints, charges or claims against the Company and, to the Company's knowledge, no such complaints, charges, investigation of any kind or claims are threatened, by or before any competent court or based on, arising out of, in connection with or otherwise relating to the employment or engagement or termination of employment or engagement or failure to employ or engage by the Company, of any individual. There are no controversies pending or, to the knowledge of the Company, threatened, between the Company and any of its current or former employees or its consultants, which controversies have or would reasonably be expected to result in a lawsuit before any competent court. Schedule 3.1(j) of the Disclosure Schedules sets forth, with respect to all employees, the rates and the salary basis for such contributions, whether such Person, is subject to Section 14 Arrangement under the Israeli Severance Pay Law - 1963 ("Section 14 Arrangement") (and, to the extent such employee is subject to the Section 14 Arrangement, an indication of whether such arrangement has been applied to such person from the commencement date of their employment and on the basis of their entire salary), accrued and unused vacation days and prior notice of termination requirements.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree, or order of any court, arbitrator or other governmental authority or (iii) is or has been, to the Company's knowledge, in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) , to the Company's knowledge, are in compliance with all Israeli laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including 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 ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses as currently conducted, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(p) Independent Contractors. Schedule 3.1(p) of the Disclosure Schedules lists the particulars (the name, title and function, date of commencement of services and material terms of agreement and benefits, including termination notice, current remunerations and department) of all freelancers with which the Company has entered into an agreement or engaged the services of, which are currently in effect. Except as set forth on Schedule 3.1(n), all of such independent contractors are a party to a written Contract with the Company. True and accurate listing of all benefits and terms payable or which the Company is bound to provide (whether now or in the future) to each independent contractor or in respect of each independent contractor are described in a true, accurate and complete manner in Schedule 3.1(n). Each Person who has provided services to the Company and was classified and treated as an independent contractor, consultant, leased employee, volunteer, or other non-employee service provider was to the Company's best knowledge properly classified and treated as such for all applicable purposes under applicable Law and would not reasonably be expected to be reclassified by any governmental authority as an employee of the Company, for any propose whatsoever and the Company has not engaged any consultants, sub-contractors, sales agents or freelancers who, according to any Law applicable in the jurisdiction of residence or location of services of such contractors, would be entitled to the rights of an employee vis-à-vis the Company. Each Contract with such Person contains provisions which state that no employer-employee relations exist between such consultant or contractor and the Company. No Company contractor and consultant or former Company contractor and consultant has issued to the Company a written notice of a claim or any other allegation that such contractor and/or consultant was not rightly classified as an independent contractor.

(q) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as currently conducted and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements of the Company, a written notice of a claim or otherwise has any knowledge, without making any inquiry, that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company and without making any inquiry, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.1(o) of the Disclosure Schedules, none of the Company's Intellectual Property Rights was developed by or for or on behalf of, or using grants or any other subsidies of, any governmental entity or any university, and no government funding, facilities, faculty or students of a university, college, other educational institution or research center or funding from third parties was used in the development of the Company's Intellectual Property ("Grants"). Schedule 3.1(o)(A) of the Disclosure Schedules sets forth: (a) the aggregate amount of each Grant; (b) the aggregate outstanding obligations of Company under each Grant with respect to royalties or other payments; (c) the outstanding amounts to be paid to Company under the Grants by the governmental entity, if any, and (d) the composition of such obligations or amount by the patent, other Intellectual Property, product or product family to which it relates. Company is in material compliance with the terms and conditions of each Grant. To the Company's best knowledge, there is no event or other set of circumstances which would reasonably be expected to lead to the revocation or material modification of any Grant. Except as set forth in Schedule 3.1(o)(B) of the Disclosure Schedules, no current or former employee or consultant, of the Company, who was involved in, or who contributed to, the creation or development of any of the Company's Intellectual Property Rights, has performed services for a government, university, college, or other educational institution or research center during a period of time during which such employee or consultant was also performing services for the Company.

(r) Insurance. A list of the Company's insurance policies is set forth in Schedule 3.1(r). Neither the Company nor any Subsidiary has any reason to believe that it will not be able 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 without a significant increase in cost.

(s) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(s), none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(t) Certain Fees. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Registration Rights. Except as listed in Schedule 3.1(w), no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act or the Exchange Act, or any Israeli equivalent law, of any securities of the Company or any Subsidiary.

(x) Disclosure. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, 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, of which the Company is aware, in the light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(y) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(bb) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed by the Company in excess of $100,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $100,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(z) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all Israeli income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has 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 and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the Company or of any Subsidiary know of no basis for any such claim. The Company has not made any elections pursuant to the Israeli Income Tax Ordinance [New Version], 1961 (other than elections that relate solely to method of accounting, depreciation or amortization). The Company is duly registered for purposes of Israeli value added tax and have complied in all material respects with all requirements concerning value added taxes.

(aa) No General Solicitation. Neither the Company nor any Person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(bb) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used, promised or authorized any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA and/or violated Sections 291 and 291A of the Israeli Penal Law 5737-1977.

(cc) Accountants. The Company's accounting firm is set forth onSchedule 3.1(ff) of the Disclosure Schedules.

(dd) No Disagreements with Accountants and Lawyers. There are no 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 could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(ee) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, presently may have a "short" position in the Ordinary Shares and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Securities are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(gg) FDA. As to each product subject to the jurisdiction of the U.S. Food and Drug Administration ("FDA") under the Federal Food, Drug and Cosmetic Act, as amended, and the regulations thereunder ("FDCA") that is manufactured, packaged, labeled, tested, distributed, sold, and/or marketed by the Company or any of its Subsidiaries (each such product, a "Pharmaceutical Device") is being manufactured, packaged, labeled, tested, distributed, sold and/or marketed by the Company in compliance with all applicable requirements under FDCA and similar laws, rules and regulations relating to registration, investigational use, premarket clearance, licensure, or application approval, good manufacturing practices, good laboratory practices, good clinical practices, product listing, quotas, labeling, advertising, record keeping and filing of reports, except where the failure to be in compliance would not have a Material Adverse Effect. There is no pending, completed or, to the Company's knowledge, threatened, action (including any lawsuit, arbitration, or legal or administrative or regulatory proceeding, charge, complaint, or investigation) against the Company or any of its Subsidiaries, and none of the Company or any of its Subsidiaries has received any notice, warning letter or other communication from the FDA or any other governmental entity, which (i) contests the premarket clearance, licensure, registration, or approval of, the uses of, the distribution of, the manufacturing or packaging of, the testing of, the sale of, or the labeling and promotion of any Pharmaceutical Device, (ii) withdraws its approval of, requests the recall, suspension, or seizure of, or withdraws or orders the withdrawal of advertising or sales promotional materials relating to, any Pharmaceutical Device (iii) imposes a clinical hold on any clinical investigation by the Company or any of its Subsidiaries, (iv) enjoins production at any facility of the Company or any of its Subsidiaries, (v)

enters or proposes to enter into a consent decree of permanent injunction with the Company or any of its Subsidiaries, or (vi) otherwise alleges any violation of any laws, rules or regulations by the Company or any of its Subsidiaries, and which, either individually or in the aggregate, would have a Material Adverse Effect. The properties, business and operations of the Company have been and are being conducted in all material respects in accordance with all applicable laws, rules and regulations of the FDA. The Company has not been informed by the FDA that the FDA will prohibit the marketing, sale, license or use in the United States of any product proposed to be developed, produced or marketed by the Company nor has the FDA expressed any concern as to approving or clearing for marketing any product being developed or proposed to be developed by the Company.

(hh) Stock Option Plans. The Company has duly adopted the Share Ownership and Option Plan (the "Equity Incentive Plan") and a correct and complete copy of the Equity Incentive Plan, as well as all option awards thereunder, have been provided to the Investor. The Equity Incentive Plan is the only equity-based incentive plan currently in effect with respect to the Company. Schedule 3.1(gg) of the Disclosure Schedules accurately sets forth all of the issued and outstanding options to acquire share capital of the Company under the Equity Incentive Plan ("Options"), and the number of issued and outstanding Options held by each holder thereof, the number of Ordinary Shares into which such Options are exercisable by such holder, in each case as of the date of this Agreement and the date of grant or issuance, as applicable, and the exercise price thereof, the date on which such Option was granted or issued and expiration date, the applicable vesting schedule and any acceleration provision, if any, and the extent to which such Option is vested and exercisable as of the date hereof. The Options were duly authorized and were not issued in violation of any applicable law, the requirements set forth in the Equity Incentive Plan or the preemptive or similar rights of any Person. The Equity Incentive Plan is intended to qualify as a capital gains route plan under Section 102(b)(2) of the Israeli Tax Ordinance [New Version], 5724 – 1961 (the "Israeli Tax Ordinance") and is deemed approved by passage of time without objection by the Israeli tax authorities. All options which have been originally intended or purported to be granted by the Company pursuant to the capital gains route under Section 102(b)(2) of the Israeli Tax Ordinance and all shares issued upon exercise of such Options (collectively, the "102 Options"), have been issued and to the Company's knowledge, maintained in compliance in all respects with the applicable requirements of Section 102 of the Israeli Tax Ordinance, and the regulations, rules and guidelines promulgated in writing thereunder. Each grant of Option was duly authorized by all necessary corporate action, including, as applicable, approval by the Board and any required shareholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was executed and delivered by each party thereto.

(ii) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(jj) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(kk) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates 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 (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 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.

(ll) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(mm) Data Privacy. Except as set forth in Schedule 3.1(nn)(A) of the Disclosure Schedules, to Company's knowledge, the Company has and is currently taking the measures required by any and all applicable law or any applicable binding directive, guidelines or requirements of a regulator in all relevant jurisdictions to protect the privacy of any Personal Information (as defined below) (the "Data Privacy Laws") in connection with Company's collection, storage, use, transfer of, (a) any personally identifiable information from any individuals, including name, address, telephone number, email address, financial account number, government-issued identifier, and any other data used or intended to be used to identify, contact or precisely locate a person, (b) any information from or about an individual whose use, aggregation, holding or management is restricted under any applicable Law, (c) Internet Protocol address or other persistent identifier; (d) "information" as defined by the Israeli Privacy Protection Law (whether or not such "information" constitutes "sensitive information" as defined thereunder) (collectively "Personal Information") to maintain in confidence such Personal Information. Except as set forth in Schedule 3.1(nn)(B) of the Disclosure Schedules, to Company's knowledge, the Company has at all times complied with the Data Privacy Laws, and is in compliance with any contractual obligations, if any, relating to privacy, data protection, and the collection, storage and use of the Personal Information, if any. No claims have been asserted or, to the best knowledge of the Company, are threatened against the Company by any Person alleging a violation of any Person's or any entity's privacy, personal or confidentiality rights under the Data Privacy Laws and/or contractual obligations relating to privacy. To the best knowledge of the Company, there has been no unauthorized access to or other misuse of Personal Information. The Company has never reported a data breach to any relevant regulator in any jurisdiction.

(nn) Governmental Funding. The Company has not applied, obtained or received any grant, loan, incentives, benefits (including tax benefits), subsidies or other assistance from any governmental or regulatory authority or any agency, or any international or bilateral fund, institute or organization or public entities or authorities, including, from the IIA, nor is the Company an "approved enterprise", "benefited enterprise" or "preferred enterprise" within the meaning of the Israeli Encouragement of Capital Investments Law, 1959, other than as set forth in Schedule 3.1(oo) of the Disclosure Schedule. The Company was and is in compliance, in all material respects, with the terms and conditions of any such grants or benefits. Other than as set forth in Schedule 3.1(oo) of the Disclosure Schedule, no royalties, interest, participation fees or other payments are payable or will be payable by the Company as a result of such grants or benefits. The consummation of the transactions contemplated hereby will not affect the continued qualification for such grants or benefits, the terms or duration thereof or require any reimbursement, repayment, refund or cancellation of any previously claimed or received grants or benefits.

(oo) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, 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 Securities 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 Securities 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

Purchasers a copy of any disclosures provided thereunder.

(pp) Notice of Disqualification Events. The Company will notify the Purchasers and in writing, prior to the 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.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law. No approval or consent from any person, entity or authority, is required by the Investor for the execution, delivery and performance by it of this Agreement and the Transaction Documents to which it is party, and any and all agreements and instruments ancillary hereto or thereto.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each subsequent Closing Date it will be either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act, (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act, or (iii) if such Purchaser is Israeli then it qualifies as an "investor" under Section 15(A)(b)(1) of the Israeli Securities Law, 1968, is an investor of the type listed in the First Supplement to the Israeli Securities Law, 1968, and is aware of the significance of being such an investor.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser 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. Such Purchaser has been afforded the opportunity to ask questions of and receive answers from duly authorized officers or other representatives of the Company concerning the Company's business, assets and financial position and has reviewed and inspected all of the data and information provided to it by the Company in connection with the execution of this Agreement. The Purchaser acknowledges that (i) the issuance of the Securities hereunder does not constitute a promise or guaranty by the Company, its shareholders, officers or directors as to the financial, technological or commercial success of the Company or the future value of its shares, and (ii) the investment contemplated herein involves a high degree of risk that may result in the Purchaser losing its entire investment hereunder.

(e) General Solicitation. Such Purchaser is not, to such Purchaser's knowledge, 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, to the knowledge of such Purchaser, any other general solicitation or general advertisement.

(f) No Breach. Neither the execution and delivery of any of the Transaction Documents nor compliance by the Investor with the terms and provisions thereof, will conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of: (i) the organizational documents of such Purchaser, (ii) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign, (iii) any agreement, contract, lease, license or commitment to which such Purchaser is a party or to which it is subject, or (iv) applicable law.

(g) Disclosure. Such Purchaser acknowledges that except for the representations and warranties of the Company contained in this Agreement, or any other Transaction Document or exhibit hereto or thereto, the Company is not making and has not made, and no other Person is making or has made on behalf of the Company, any express or implied representation or warranty in connection with this Agreement or the transactions contemplated hereby, and no third party is authorized to make any such representations and warranties on behalf of the Company.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with Israeli corporate and securities laws, and the Restated Articles, and following the Public

Company Date, in connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor 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. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement; provided, no subsequent transferee (other than an Affiliate of a Purchaser) shall have any rights to designate a member of the Board of Directors.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1 under either Israeli or United States law, of a legend on any of the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration pursuant to the Registration Rights Agreement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Stockholders (as defined in the Registration Rights Agreement) thereunder.

Following the Public Company Date, (if the Company is the public entity, and if the Company is acquired by a public entity, it shall require as a condition of its acquisition by the public entity that the public entity agree that) certificates evidencing the Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) while a registration statement (including the Registration Statement) covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144 other than to an affiliate of the Company, (iii) if such Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) and the Purchaser shall provide the Company with a "no action" letter from the SEC or a legal opinion confirming the same. The Company shall cause its counsel to issue a legal opinion to the Transfer Agent or the Purchaser if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by a Purchaser, respectively. The Company agrees that following the Public Company Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Shares issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Securities subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Ordinary Shares as in effect on the date of delivery of a certificate representing Shares issued with a restrictive legend.

(c) Following the Public Company Date, in addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Shares (based on the VWAP of the Ordinary Shares on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Company by such Purchaser that is free from all restrictive and other legends and (b) if after the Legend Removal Date such Purchaser purchases (in an open market transaction or otherwise) Ordinary Shares to deliver in satisfaction of a sale by such Purchaser of all or any portion of the number of Ordinary Shares, or a sale of a number of Ordinary Shares equal to all or any portion of the number of Ordinary Shares that such Purchaser anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the Ordinary Shares so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Shares that the Company was required to deliver to such Purchaser by the Legend Removal Date 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 delivery by such Purchaser to the Company of the applicable Shares and ending on the date of such delivery and payment under this clause (ii). Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Furnishing of Information; Public Information.

(a) Following the Public Company Date, if the Ordinary Shares are not registered under Section 12(b) or 12(g) of the Exchange Act on the date hereof, the Company agrees to cause the Ordinary Shares to be registered under Section 12(g) of the Exchange Act on or before the 60th calendar day following the date hereof. Until the earliest of the time that (i) no Purchaser owns Securities; or (ii) three years from the date hereof, or (iii) the date on which the Company's is being acquired in a price per share equal to or higher of 150% of the Per Share Purchase Price, the Company shall take no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Ordinary Shares under the Exchange Act and shall use its commercially reasonable best efforts to maintain the registration of the Ordinary Shares under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace

period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) Following the Public Company Date (if the Company is the public entity, and if the Company is acquired by a public entity, it shall require as a condition of its acquisition by the public entity that the public entity agree that), if any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) has ever been an issuer described in Rule 144(i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2), in each case, for a period of at least five (5) Trading Days (a "Public Information Failure") then, in addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to one percent (1.0%) of the aggregate Subscription Amount of such Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchasers to transfer the Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.2(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3^{rd}) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.0% per month (prorated for partial months) until paid in full. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Public Information Failure, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.3 Securities Laws Disclosure; Publicity. The Company shall (a) by the opening of the Trading Market on the next Trading Day, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file any reports required by the Israeli Securities Law or the Tel-Aviv Stock Exchange. From and after the issuance of such press release, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers 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. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement contemplated by the Registration Rights Agreement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.4 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.5 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, following the earlier of 90 days from the Closing Date or the Public Company Date (if the Company is the public entity, and if the Company is acquired by a public entity, it shall require as a condition of its acquisition by the public entity that the public entity agree that), the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto such Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. Following the Public Company Date, to the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K, if applicable. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.6 Use of Proceeds. Except as set forth on Schedule 4.7 attached hereto, the Company shall use the net proceeds from the sale of the Securities hereunder for working capital purposes and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Ordinary Shares or Ordinary Shares Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations.

4.7 Indemnification of Purchasers. Subject to the provisions of this Section 4.7, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all final judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur directly as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to

this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.8 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 are incurred. The maximum liability of the Company with respect to all Losses indemnifiable pursuant to this Section 4.7 shall be an amount equal to the aggregate Subscription Amount actually paid to the Company by the Purchasers. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law. If any action shall be brought against any Purchaser Party and/or Company in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.7 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 are incurred.

4.8 Reservation of Ordinary Shares. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of Ordinary Shares for the purpose of enabling the Company to issue Shares pursuant to this Agreement.

4.9 Listing of Ordinary Shares. As of the Public Company Date (if the Company is the public entity), the Company hereby agrees to use best efforts to maintain the listing or quotation of the Ordinary Shares. The Company further agrees, if the Company applies to have the Ordinary Shares traded on any Trading Market, it will then include in such application all of the Shares, and will take such other action as is reasonably necessary to cause all of the Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Ordinary Shares on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Ordinary Shares for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.10 Participation in Future Financing. From the date hereof until the date that is the 12 month anniversary of the Second Closing, upon any issuance by the Company or any of its Subsidiaries of Ordinary Shares, Ordinary Share Equivalents (or ADRs) for cash consideration, Indebtedness or a combination of units thereof (a "Subsequent Financing"), each Purchaser shall have the right to participate in up to an amount of the Subsequent Financing equal to 50% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing.

(a) At least three (3) Trading Days prior to the closing of the Subsequent Financing (4 hours in the case of a registered direct or underwritten Subsequent Financing, but not including any major Jewish holidays), the Company shall deliver to each Purchaser a written notice of its intention to effect a Subsequent Financing ("Pre-Notice"), which Pre-Notice shall ask such Purchaser if it wants to review the details of such financing (such additional notice, a "Subsequent Financing Notice"). Upon the request of a Purchaser, and only upon a request by such Purchaser, for a Subsequent Financing Notice, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver a Subsequent Financing Notice to such Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment.

(b) Any Purchaser desiring to participate in such Subsequent Financing must provide written notice to the Company by not later than 5:30 p.m. (New York City time) on the third (3rd) Trading Day after all of the Purchasers have received the Pre-Notice (4 hours in the case of a registered direct or underwritten Subsequent Financing, but not including any major Jewish holidays) that such Purchaser is willing to participate in the Subsequent Financing, the amount of such Purchaser's participation, and representing and warranting that such Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no such notice from a Purchaser as of such third(3rd) Trading Day (5 hours in the case of a registered direct or underwritten Subsequent Financing (12 hours if over a weekend, but not including any major Jewish holidays and no notice shall be given during Shabbat New York time), such Purchaser shall be deemed to have notified the Company that it does not elect to participate.

(c) If by 5:30 p.m. (New York City time) on the third (3rd) Trading Day after all of the Purchasers have received the Pre-Notice (5 hours in the case of a registered direct or underwritten Subsequent Financing,(12 hours if over a weekend, but not including any major Jewish holidays and no notice shall be given during Shabbat New York time)), notifications by the Purchasers of their willingness to participate in the Subsequent Financing (or to cause their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may effect the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(d) If by 5:30 p.m. (New York City time) on the third (3rd) Trading Day after all of the Purchasers have received the Pre-Notice (5 hours in the case of a registered direct or underwritten Subsequent Financing,(12 hours if over a weekend, but not including any major Jewish holidays and no notice shall be given during Shabbat New York time)), the Company receives responses to a Subsequent Financing Notice from Purchasers seeking to purchase more than the aggregate amount of the Participation Maximum, each such Purchaser shall have the right to purchase its Pro Rata Portion (as defined below) of the Participation Maximum. "Pro Rata Portion" means the ratio of (x) the Subscription Amount of Securities purchased on the Closing Date by a Purchaser participating under this Section 4.10 and (y) the sum of the aggregate Subscription Amounts of Securities purchased on the Closing Date by all Purchasers participating under this Section 4.10.

(e) The Company must provide the Purchasers with a second Subsequent Financing Notice, and the Purchasers will again have the right of participation set forth above in this Section 4.10, if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within thirty (30) Trading Days after the date of the initial Subsequent Financing Notice (Three Trading Days in the case of a

registered direct or underwritten Subsequent Financing).

(f) The Company and each Purchaser agree that if any Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision that, directly or indirectly, will, or is intended to, exclude one or more of the Purchasers from participating in a Subsequent Financing, including, but not limited to, provisions whereby such Purchaser 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, this Agreement, without the prior written consent of such Purchaser.

Notwithstanding anything to the contrary in this Section 4.10 and unless otherwise agreed to by such Purchaser, the Company shall either confirm in writing to such Purchaser that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Purchaser will not be in possession of any material, non-public information, by the tenth (10^{th}) Business Day following delivery of the Subsequent Financing Notice. If by such tenth (10^{th}) Business Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Purchaser, such transaction shall be deemed to have been abandoned and such Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

Notwithstanding the foregoing, this Section 4.10 shall not apply in respect of an Exempt Issuance and in respect of any instance prohibited by applicable law.

4.11 Subsequent Equity Sales.

(a) From the date hereof until 60 calendar days from the Second Closing, the Company will not issue any Ordinary Shares or Ordinary Shares Equivalents. From the date hereof until one year after the Second Closing, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of any debt (other than trade liabilities in the ordinary course of business) or issue and Ordinary Shares or Ordinary Shares Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional Ordinary Shares either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the Ordinary Shares at any time after the initial issuance of such debt or equity securities 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 debt or equity security 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 or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price. Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(b) Notwithstanding the foregoing, this Section 4.11 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance.

4.12 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.13 U.S. Listing of Ordinary Shares. Within 3 months of listing the Company's ADR's on Nasdaq, the Company will file all appropriate documents (the "Conversion Documents") with the Securities Exchange Commission ("SEC"), Nasdaq, and the Tel-Aviv Stock Exchange ("TSA") to have the Company's common stock listed on Nasdaq (i.e., no longer its ADRs). The Company will be assessed a 1% penalty of the amount of the Subscription Amount for each 30-day period the Conversion Documents are not filed after the initial 3-month period, not to exceed a total of 10%. Such damages shall be paid in cash.

4.14 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding Ordinary Shares, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.15 Registration Rights. On or prior to the 30^{th} calendar day following the Closing Date, the Company shall prepare and file with the Commission a Registration Statement for a resale offering to be made on a continuous basis. The Company shall use its commercially best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof (but in no event later than the 90^{th} day following the filing of the registration statement) and shall use its commercially best efforts to keep such Registration Statement, with respect to each Purchaser, continuously effective under the Securities Act until the earlier to occur of (i) the date on which such Purchaser may sell the Securities then held in compliance with Rule 144, or (ii) all Securities covered by the Registration Statement have been sold by such Purchaser.

ARTICLE V.
AFFIRMATIVE COVENANTS BY THE COMPANY

5.1 Filing with IIA. As soon as possible following the First Closing, and in any event no later than 14 days following the First Closing, the Company shall file all required notices set forth in Section 2.2(a)(xiii) with IIA.

ARTICLE VI.

MISCELLANEOUS

6.1 Fees and Expenses. At the Closing, the Company has agreed to reimburse Alpha Capital Anstalt ("Alpha") the non-accountable sum of $50,000 for its legal fees and expenses. Accordingly, in lieu of the foregoing payments, the aggregate amount that Alpha is to pay for the Securities at the Closing shall be reduced by $50,000 in lieu thereof. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. Following the Public Company Date (if the Company is the public entity, and if the Company is acquired by a public entity, it shall require as a condition of its acquisition by the public entity that the public entity agree that) the Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

6.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

6.4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers which purchased at least 67% in interest of the Shares based on the initial Subscription Amounts hereunder or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought, provided that if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of such disproportionately impacted Purchaser (or group of Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and holder of Securities and the Company.

6.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

6.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8.

6.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for 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 other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.8, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

6.9 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

6.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature 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 facsimile or ".pdf" signature page were an original thereof.

6.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

6.12 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related

obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of an exercise of a Warrant, the applicable Purchaser shall be required to return any Ordinary Shares subject to any such rescinded exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

6.13 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

6.14 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights 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, 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.

6.15 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, each Purchaser and its respective counsel have chosen to communicate with the Company through EGS. EGS does not represent any of the Purchasers and only represents Alpha. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

6.16 Fridays, Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

6.17 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and Ordinary Shares in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Ordinary Shares that occur after the date of this Agreement.

6.18 Confidentiality. No party to this Agreement shall disclose or issue any public statement or press release concerning, or relating to, this transaction, without the prior written approval of the other party of the substance and form of any such statement or release, except as, and only to the extent required, (a) to exercise any of its rights or fulfill any of its obligations under the Agreement, or (b) as may be required under applicable Law.

6.19 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

ICECURE MEDICAL LTD.

By: /s/ Eyal Shamir
Name: Eyal Shamir
Title: CEO

By: /s/ Ron Mayron
Name: Ron Mayron
Title: Chairman

Address for Notice:

Email: eyals@icecure-medical.com

With a copy to (which shall not constitute notice):

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO ICECURE SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Clover Alpha L.P.

Signature of Authorized Signatory of Purchaser: /s/ Clover Alpha L.P.

Name of Authorized Signatory: Amiran Meshel

Title of Authorized Signatory: Manager

Email Address of Authorized Signatory: amiran@clover-alpha.com

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount:

First Closing: $240,000

Shares: 1,470,169

Second Closing: $160,000

Shares: 980,113

[PURCHASER SIGNATURE PAGES TO ICECURE SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Clover Wolf Capital Limited Partnership

Signature of Authorized Signatory of Purchaser: /s/ Clover Wolf Capital Limited Partnership

Name of Authorized Signatory: Adi Wolf

Title of Authorized Signatory: Director

Email Address of Authorized Signatory: adibzwolf@gmail.com

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount:

First Closing: $1,860,000

Shares: 11,393,809

Second Closing: $1,240,000

Shares: 7,595.872

[PURCHASER SIGNATURE PAGES TO ICECURE SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Alpha Capital Anstalt

Signature of Authorized Signatory of Purchaser: /s/ Alpha Capital Anstalt

Name of Authorized Signatory: Konrad Ackermann

Title of Authorized Signatory: Director

Email Address of Authorized Signatory: info@alphacapital.li

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount:

First Closing: $2,400,000

Shares: 14,701,698

Second Closing: $1,600,000

Shares: 9,801,126

[PURCHASER SIGNATURE PAGES TO ICECURE SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Epoch Partner Investment Limited

Signature of Authorized Signatory of Purchaser: /s/ Epoch Partner Investment Limited

Name of Authorized Signatory: Li Haixiang

Title of Authorized Signatory: Director

Email Address of Authorized Signatory: Vic@vi-ventures.com

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount:

First Closing: $4,500,000

Shares: 27,570,099

Second Closing: $3,000,000

Shares: 18,380,066

Exhibit 10.5

Execution Version

Certain confidential information contained in this document, marked by brackets and asterisk, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because it (i) is not material and (ii) would be competitively harmful if publicly disclosed

DISTRIBUTION AGREEMENT

This **Distribution Agreement** ("***Agreement***") is entered into as of August 29, 2019 (the "***Effective Date***") by and between **IceCure Medical Ltd.**, a corporation having its principal office at Haeshel 7, Caesarea, 3079504, , Israel ("***IceCure***") and **Terumo Corporation**, having its registered place of business at 2-44-1 Hatagaya, Shibuya-ku Tokyo, 151-0072 Japan ("***Terumo***"). IceCure and Terumo may be referred to individually as a "***Party***" and collectively as the "***Parties***".

RECITALS

Whereas, IceCure has developed and is intending to commercialize and promote its Product (as defined below) in various countries;

Whereas, IceCure wishes to commercialize the Product in certain countries through a distributor that will register, promote, market, sell and distribute the Product within the Territory (as defined below) and the Limited Territory (as defined below);

Whereas, Terumo has the ability to register, promote, market, sell and distribute such Product within the Territory and the Limited Territory and wishes to be IceCure's exclusive distributor of the Product within the Territory and the Limited Territory, and IceCure is willing to appoint Terumo as the exclusive distributor of the Product in the Territory and the Limited Territory, on the terms and conditions set forth in this Agreement; and

Whereas, IceCure agrees to manufacture (or have manufactured) and sell to Terumo the Product for such commercialization and promotion activities in the Territory, on the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IceCure and Terumo hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 "***Affiliate***" of a Party means any entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party, as the case may be, but for only so long as such control exists. As used in this Section 1.1, "control" means (a) to possess, directly or indirectly, the power to direct the management or policies of an entity, whether through ownership of voting securities, or by contract relating to voting rights; or (b) direct or indirect beneficial ownership of more than fifty percent (50%) of the voting share capital or other equity interest in such entity.

1.2 "***Alliance Manager***" has the meaning set forth in Section 4.2.

1.3 "***Applicable Laws***" means the applicable provisions of any law or regulation from Japan, Singapore, Israel and the U.S. (as hereafter defined) including: national, regional, state and local laws, treaties, statutes, rules, regulations, administrative codes, industry codes, guidance, ordinances, judgments, decrees, directives, injunctions, orders or permits (including Regulatory Approvals) of or from any court, arbitrator, Regulatory Authority or governmental agency or authority having jurisdiction over or related to the subject item, including GMP, FCPA, trade, promotion, privacy, Export Control Laws and other laws and regulations pertaining to domestic or international corruption, commercial bribery, fraud, kickback, embezzlement or money laundering.

1.4 "***Authorization***" or "***Authorized***" means, with respect to any Information or Data, possession by either Party of the ability (whether by ownership or grant of rights, other than pursuant to this Agreement) to grant to the other Party the applicable access or other right under this Agreement without violating the terms of an agreement with a Third Party and/or any Applicable Law.

1.5 "***Business Day***" means a day other than a Friday, Saturday or Sunday or any public holiday in Israel or Japan.

1.6 "***Calendar Quarter***" means a period of three (3) consecutive months during a Calendar Year beginning on and including January 1st, April 1st, July 1st or October 1st.

1.7 "***Calendar Year***" means a period of twelve (12) consecutive months beginning on and including January 1st.

1.8 "***Commercialization Plan***" has the meaning set forth in Section 6.1(c).

1.9 "***Commercially Reasonable Efforts***" means, with respect to a Party's specific obligations under this Agreement, that level of efforts and resources at the relevant point in time, that is consistent with the usual practice followed by such Party in the exercise of its scientific and business judgment relating to other medical device products owned or licensed by it or to which such Party has exclusive rights (but in any event no less than the efforts consistent with those generally used by similarly positioned (in scope and value) medical device companies with sufficient resources to advance a program) including commercial, technical, legal, scientific, or medical factors.

1.10 "***Confidential Information***" has the meaning set forth in Section 8.1.

1.11 "***Confidentiality Agreement***" means that certain Mutual Non-Disclosure Agreement dated December 19, 2018, executed between IceCure and Terumo.

1.12 "***Data***" means any and all scientific, clinical, technical or test data pertaining to the Product that is generated by or under the authority of Terumo or its Affiliates, Sub-Distributors or other subcontractors or by or under the authority of IceCure or IceCure ex-Territory Distributors before or during the Term, including research data, clinical pharmacology data, chemistry, manufacturing and controls data (including analytical and quality control data and stability data), preclinical data, clinical data and all submissions made in association with an application for Regulatory Approval filed in or outside the Territory with respect to the Product, in each case to the extent such data either (a) a Party has the Authorization on the Effective Date or (b) comes within a Party's Authorization during the Term.

1.13 "***Delivery***" means upon pick-up of the Product in Caesarea, Israel, or other location mutually agreed by the Parties, and based on delivery terms EXW (Incoterms 2010).

1.14 "***Disclosing Party***" has the meaning set forth in Section 8.1.

1.15 "***Executives***" has the meaning set forth in Section 13.2.

1.16 "***Exclusivity Term***" means: (a) with respect to the Territory the term commencing as of the Effective Date, and (b) with respect to the Limited Territory the period commencing up to 6 (six) months after the Effective Date, subject to the termination of any existing agreement with any the current exclusive distributor in the Limited Territory, and continuing until the earlier of: (i) termination of the Agreement pursuant to Article 12 of the Agreement, or (ii) the termination of the exclusivity pursuant to Exhibit 6.4.

1.17 "***Export Control Laws***" means all applicable U.S., European Union, Israel, and Japanese or other applicable laws and regulations relating to (a) sanctions and embargoes imposed by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Irish Government or the European Union or (b) the export or re-export of commodities, technologies or services or data, including the Export Administration Act of 1979, 24 U.S.C. §§ 2401-2420; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706; the Trading with the Enemy Act, 50 U.S.C. App. §§ 1 et. seq.; the Arms Export Control Act, 22 U.S.C. §§ 2778 and 2779; and the International Boycott Provisions of Section 999 of the U.S. Internal Revenue Code of 1986, European Union laws and regulations (including but not limited to, Regulation (EC) No 428/2009, as amended), in each case as amended.

1.18 "***FCPA***" means the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1 et. seq.), as amended.

1.19 "***First Upfront Payment***" has the meaning set forth in Section 3.1.

1.20 ***"Fourth Upfront Payment***" has the meaning set forth in Section 3.4.

1.21 "***GMP***" means current Good Manufacturing Practice, including MHLW's Ordinance on QMS.

1.22 "***IceCure ex-Territory Distributor***" means a licensee, or distributor engaged by IceCure or any of its Affiliates to market, promote or sell the Product outside the Territory. For clarity, any such licensee, or distributor shall constitute an IceCure ex-Territory Distributor only during the term of such engagement.

1.23 "***IceCure Indemnitees***" has the meaning set forth in Section 11.1.

1.24 "***IceCure Information***" means all Information (including Data) that IceCure has the Authorization to share as of the Effective Date or during the Term, which Information is necessary or reasonably useful, at IceCure's reasonable discretion, to file for, obtain or maintain Regulatory Approval or to distribute, commercialize, market, promote, sell, offer for sale or import the Product in the Territory.

1.25 "***IceCure Patents***" means all IceCure's Patents as of the Effective Date or during the Term.

1.26 "***Indemnitee***" has the meaning set forth in Section 11.3.

1.27 "***Indemnitor***" has the meaning set forth in Section 11.3.

1.28 "***Information***" means information and submissions pertaining to, or made in association with, filings with any Regulatory Authority, data, including pharmacological, toxicological and clinical data, analytical and quality control data, manufacturing data and descriptions, patent and legal data, market data, financial data or descriptions, specifications and the like, in written, electronic or other form, now known or hereafter developed, whether or not patentable.

1.29 "***Intellectual Property Rights***" means rights in, and in relation to any Patents, utility models, design patents, design rights, trademarks, trade and business names, copyright, database rights, domain names and topography rights, including the benefit of all registrations of, applications to register and the right to apply for registration of any of the foregoing items and all rights in the nature of any of the foregoing rights, each for their full term (including without limitation, any divisions, continuations, extentions or renewals thereof), trade secrets, know-how and any other intellectual properties, all of the foregoing wherever enforceable in the world.

1.30 ***"Limited Territory"*** means Singapore and its territories and possessions.

1.31 "***Losses***" has the meaning set forth in Section 11.1.

1.32 "***MA Approval***" means approval, licenses, registrations, or authorizations of Regulatory Authorities in the applicable regulatory jurisdiction for the manufacture, use, storage, import, transport and/or sale of a pharmaceutical, therapeutic and medical device product in such regulatory jurisdiction.

1.33 "***MHLW***" means the Japanese Ministry of Health, Labor and Welfare, or any successor agency thereto having the administrative authority to regulate the marketing of human pharmaceutical, therapeutic and medical device products in the Territory.

1.34 "***Patent***" means (a) any patent, certificate of invention, application for certificate of invention, priority patent filing and patent application, and (b) any renewal, division, continuation (in whole or in part) or request for continued examination of any of such patent, certificate of invention and patent application, and any patent or certificate of invention issuing thereon, and any reissue, reexamination, extension, restoration by any existing or future extension or restoration mechanism, division, renewal, substitution, confirmation, registration, revalidation, revision and addition of or to any of the foregoing.

1.35 "***Person***" means any individual, corporation, partnership, limited liability company, trust or other entity.

1.36 "***PMDA***" means Pharmaceuticals and Medical Devices Agency of Japan.

1.37 "***Product***" means (a) IceCure's proprietary cryo-ablation device known as Prosense™, as further described in Exhibit 1.37, including any improvements made thereto during the Term and/or next generation thereof, and (b) IceCure's proprietary probe and other applicable accessories and components to the cryo-ablation device known as Prosense™.

1.38 "***Product Trademark***" has the meaning set forth in Section 9.6(a).

1.39 "***Public Official or Entity***" means (a) any officer, employee (including physicians, hospital administrators or other healthcare professionals), agent, representative, department, agency, de facto official, corporate entity, instrumentality or subdivision of any government, military or international organization, including any

ministry or department of health or any state-owned or affiliated company or hospital, or (b) any candidate for political office, any political party or any official of a political party.

1.40 "***Quality Agreement***" has the meaning set forth in Section 6.5.

1.41 "***Receiving Party***" has the meaning set forth in Section 8.1.

1.42 "***Reimbursement Approval***" means approval of the reimbursement price (including medical treatment service fee) for the Cryo-ablation of breast cancer with using device of same function of the Product which approval is issued by the MHLW (the approved price, the "***Reimbursement Price***").

1.43 "***Regulatory Approval***" means any and all approvals, licenses, registrations, or authorizations of Regulatory Authorities in the applicable regulatory jurisdiction, that are necessary or the manufacture, use, storage, import, transport and/or sale of the Product in such regulatory jurisdiction, or are mutually agreed to be required for the commercialization between the Parties, including Shonin, Reimbursement Approval and any approval for changes to the preceding approvals such as changes to indication or legal manufacturer.

1.44 "***Regulatory Authority***" means any national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity whose review and/or approval is necessary for the manufacture, packaging, use, storage, import, export, distribution or promotion of the Product in the applicable regulatory jurisdiction, including the MHLW and the PMDA. If governmental approval is required for pricing or reimbursement by national health insurance (or its local equivalent), "Regulatory Authority" shall also include any national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity whose review and/or approval of pricing or reimbursement is required.

1.45 "***Regulatory Filings***" means all applications, approvals, licenses, notifications, registrations, submissions and authorizations made to or received from a Regulatory Authority in connection with the development, manufacture or commercialization of the Product, including any Regulatory Submissions, MA Approvals, and Reimbursements.

1.46 "***Regulatory Plan***" has the meaning set forth in Section 5.2(a).

1.47 ***"Regulatory Submissions"*** means all applications, notifications, and submissions made to a Regulatory Authority (including any attachment or supplement thereto) to obtain Regulatory Approval in connection with the development, manufacture or commercialization of the Product, and all Information contained therein (but excludes IceCure Information, IceCure Patents, and Inventions).

1.48 "***Second Upfront Payment***" has the meaning set forth in Section 3.2.

1.49 "***Shonin***" means the MA Approval of MHLW to market the Product in the Territory (*Seizou-hambai-shonin*).

1.50 "***Specification(s)***" has the meaning set forth in Exhibit 1.37.

1.51 "***Specification Agreement***" has the meaning set forth in Exhibit 1.37.

1.52 ***"Study Information"*** means any and all Information (including Data) derived from clinical and non-clinical study, and pre-clinical testing conducted by Terumo (directly or indirectly, excluding IceCure and/or its Affiliates) in the Territory, for making Regulatory Submission, obtaining and maintaining Regulatory Approval and/or commercializing the Product in the Territory, but Study Information excludes IceCure Information, IceCure Patents, and Inventions.

1.53 "***Sub-Distributor***" means any Person other than Terumo that Terumo appoints to market, promote, offer for sale, sell, import or distribute the Product in the Territory or the Limited Territory, beyond the mere right to purchase the Product from Terumo for end use.

1.54 "***Target Indication***" means indication with regard to a Shonin or a Reimbursement Approval of the cryo-ablation of breast cancer with using device of same function of the Products.

1.55 ***"Tax Authority"*** means any government, state, or municipality of any local, state, federal, or other fiscal, revenue, customs, or excise authority, body, or official anywhere in the world, authorized to levy tax.

1.56 "***Term***" means the period commencing on the Effective Date and continuing until the fifth (5th) anniversary of the date of the Shonin of the Product in Japan (the "***Initial Term***"), and automatically extended for five (5) years periods each (each, a "***Renewal Term***") unless either Party notifies to the other Party of its intention to terminate at least one (1) year prior to the end of the Initial Term or Renewal Term, as applicable, or if this Agreement is terminated earlier pursuant to Article 12 of the Agreement.

1.57 "***Territory***" means Japan and its territories and possessions.

1.58 "***Third Party***" means any governmental authority or Person other than IceCure, Terumo and their respective Affiliates.

1.59 "***Third Party Claims***" has the meaning set forth in Section 11.1.

1.60 "***Third Upfront Payment***" has the meaning set forth in Section 3.3.

1.61 "***Trademark***" means any word, name, symbol, color, designation or device or any combination thereof, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo or business symbol, whether or not registered.

1.62 "***United States***" or "***U.S.***" means the United States of America, including its territories and possessions and the District of Columbia.

1.63 "***Upfront Payments***" means First Upfront Payment, Second Upfront Payment, Third Upfront Payment, and the Forth Upfront Payment, collectively (or respectively, ***"Upfront Payment"***).

ARTICLE 2
DISTRIBUTION APPOINTMENT

2.1 Appointment of Terumo as Distributor. Subject to the terms and conditions of this Agreement, IceCure hereby appoints Terumo, and Terumo accepts appointment, as the exclusive distributor of the Product for the Target Indication in the Territory and Limited Territory during the Exclusivity Term, and IceCure grants to Terumo the exclusive rights to file for and maintain Regulatory Approval of, promote, market, offer for sale, sell, import and distribute the Product in the Territory during the Term. IceCure may not sell the Product or any product that is substantially similar to the Product in the Territory and the Limited Territory, for the Target Indication, through any other distributor (except for Terumo and its Affiliates) or directly by itself during the Exclusivity Term. Notwithstanding the above, IceCure and/or its Affiliates may sell in the Territory directly such Products to doctors and medical institutions until the date that Terumo notifies in writing IceCure that it has received the Shonin of the Product in the Territory.

2.2 Subcontracting by Terumo. Subject to the terms and conditions of this Agreement, Terumo shall have the right to appoint Sub-Distributors for the Product in the Territory and the Limited Territory and contract research organization ("***CRO(s)***") in the Territory and the Limited Territory with which clinical trials of the Product are contracted, without the prior consent of IceCure; provided, however, in the event the performance of services by such Sub-Distributor will require to provide it with IceCure Information and IceCure Patents, Terumo will execute a confidentiality and non-use agreement with such Sub-Distributor that will impose on the Sub-Distributor the obligations as strict as those set forth in this Agreement. Terumo shall have the right to subcontract any regulatory, sales, marketing, or promotional activities with respect to the Product in the Territory, and Limited Territory (only for sales, marketing, or promotional activities), including to any contract sales organization ("**Third Party Contractor**"), in each case, without the prior consent of IceCure. IceCure shall have the right to object to a Sub- Distributor and/or Third Party contractor if it becomes aware of issues with respect to such Third Party Contractor that could have a material adverse effect on IceCure in the Territory or the Limited Territory. In such event, IceCure will advise Terumo of its concerns, and the Parties will discuss what actions, if any, to take with respect to such Sub- Distributor or Third Party Contractor, *provided* that no actions shall be taken with respect to such Sub-Distributor and/or Third Party Contractor without Terumo's prior consent, which shall not be unreasonably withheld or delayed. Terumo shall be responsible for the acts or omissions of its Sub-Distributors and/or Third Party contractors under any agreement or engagement, including any such act or omission that would constitute a breach hereunder if performed by Terumo. Notwithstanding the preceding, it is the express intention of the Parties that Terumo shall act as the principal distributor of the Product in the Territory and may not hire Sub-Distributors with the intent of reducing its obligations under this Agreement.

2.3 Supply of Product for Distribution. IceCure shall supply or have supplied to Terumo, in accordance with the terms set forth in Section 6.3, and Terumo shall purchase from IceCure, Product for sale by Terumo or its Affiliates or Sub-Distributors in the Territory or the Limited Territory, subject to and under the provisions of this Agreement. Terumo shall purchase all such amounts of Product supplied by IceCure under the payment provisions of Section 6.3 and Article 7.

2.4 Right of Negotiation. During the Exclusivity Term, in the event that IceCure intends to (a) sell any product other than the Product in the Territory or the Limited Territory during the Term; (b) sell the Products for an indication other than the Target Indication in the Territory or the Limited Territory during the term; or (c) sell the Product in Thailand, IceCure will notify Terumo in writing of such intention ("**Negotiation Notice**" and "**Negotiation Notice Date**", respectively) before notifying the same to any other prospective distributor. If Terumo notifies IceCure in writing within thirty (30) days after receipt of Negotiation Notice from IceCure, IceCure will be required to negotiate in good faith with Terumo a distribution agreement pursuant to which Terumo will obtain the exclusive distribution appointment for such product in the Territory, the Limited Territory, and/or Thailand, as applicable. IceCure may not enter into a distribution agreement and/or its equivalent (including without limitation term sheet and letter of intent) with a Third Party for the purpose contemplated in this Section 2.4 without written consent from Terumo for three (3) months following the Negotiation Notice Date by Terumo to IceCure. In the event Terumo has not notified IceCure within the said thirty (30) day period, or the negotiations have not concluded to definitive agreement within the said three (3) month period above, IceCure shall be permitted to negotiate and/or enter into a distribution agreement and its equivalent with any Third Party.

2.5 No Other Rights. No rights shall be deemed granted by one Party to the other Party under this Agreement by implication, estoppel, or otherwise.

ARTICLE 3
UPFRONT PAYMENT

3.1 First Upfront Payment. In consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure, an upfront payment of six hundred thousand U.S. dollars (US$600,000) ("***First Upfront Payment***"). Terumo shall pay to IceCure First Upfront Payment within thirty (30) days of the Effective Date ("***Due Date of Upfront Payment***"); *provided, however*, that the First Upfront Payment will be deemed to have been made in time if Terumo has instructed the paying bank to make such payment to IceCure not later than three (3) Business Days before the Due Date of Upfront Payment and such payment is completed within three (3) Business Days after the Due Date of Upfront Payment.

3.2 Second Upfront Payment. Terumo shall notify IceCure in writing promptly after making the first Regulatory Submission regarding the Product in the Territory. In further consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure within thirty (30) days after making such Regulatory Submission regarding the Product in the Territory, a payment of a quarter million U.S. dollars (US$250,000) ("***Second Upfront Payment***").

3.3 Third Upfront Payment. Terumo shall notify IceCure in writing promptly after obtaining the first Shonin of the Product in the Territory. In further consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure within thirty (30) days after obtaining such Shonin, a payment of a quarter million U.S. dollars (US$250,000) ("***Third Upfront Payment***").

3.4 Fourth Upfront Payment. Terumo shall notify IceCure in writing promptly after obtaining the first Reimbursement Approval from MHLW. In further consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure within thirty (30) days after obtaining such Reimbursement Approval, a payment of half a million U.S. dollars (US$500,000) ("***Fourth Upfront Payment***").

ARTICLE 4
COORDINATION

4.1 Meetings. The Parties will hold meetings, either in-person or telephonically, or alternatively exchange views in writing, at such frequency and in such method as determined by the Parties, to discuss and coordinate the Parties' activities under this Agreement, including with respect to filing for, obtaining, and maintaining Regulatory Approval and commercializing (including commercial supply to Terumo and marketing and sales) the Product in the Territory and the Limited Territory. Each Party shall bear all its own costs and expenses incurred by it in connection with attending in-person meetings. The items of such discussion are, without limitation, the following topics:

(a) the Regulatory Plan, including all amendments thereto;

(b) the Commercialization Plan, including all amendments thereto;

(c) the results of the Regulatory Plan and Commercialization Plan to ensure, to the extent reasonably practical, compliance with obligations under this

Agreement;

(d) to the extent that IceCure is conducting business development of the Product in the Territory, the plans for and results of such business development;

(e) discussing the production capacity of IceCure and its Third Party manufacturers;

(f) discussing marketing and sales updates;

(g) facilitating the exchange of Data between the Parties, including any adverse event information.

(h) discussing the rolling forecast and the safety stock of the Product for each of the Territory and the Limited Territory.

4.2 Alliance Managers. Promptly after the Effective Date, each Party shall appoint an individual to act as the alliance manager for such Party (the "***Alliance Manager***"). Each Alliance Manager will be permitted to attend meetings described in Section 4.1. The Alliance Managers will be the primary contact for the Parties regarding the activities contemplated by this Agreement and shall facilitate all such activities hereunder. Each Party may replace its Alliance Manager with an alternative representative at any time with prior written notice to the other Party. Any Alliance Manager may designate a substitute to temporarily perform the functions of that Alliance Manager.

ARTICLE 5
DEVELOPMENT AND REGULATORY ACTIVITIES

5.1 Overview. Terumo shall be responsible for filing, obtaining, and maintaining Regulatory Approval of the Product in the Territory, including for improvements and post-marketing surveillance as described in this Article 5.

5.2 Regulatory Activities.

(a) Regulatory Plan. All regulatory activities with respect to the Product in the Territory will be conducted in accordance with a comprehensive regulatory plan (as amended in accordance with this Agreement, the "***Regulatory Plan***") prepared by Terumo and agreed upon by the Parties; *provided, however*, that not achieving the activities set forth in the Regulatory Plan will not constitute a breach of this Agreement as long as Terumo has exerted its Commercially Reasonable Efforts to perform such activities.

(b) Conduct of Regulatory Activities. Terumo shall be solely responsible, in its expense (subject to IceCure's obligation with respect to assistance as set in this Article 5.2(e) below), for preparing, filing, obtaining, and maintaining Regulatory Approvals, including Shonin and Reimbursement Approvals for the Product in the Territory, including those improvements and post-marketing surveillance, and including the conduct of associated clinical trials or preclinical testing conducted in the Territory, all in accordance with the Regulatory Plan. Terumo shall be the holder of the Regulatory Approval and all Regulatory Filings for the Product in the Territory issued pursuant to this Article 5 and the Regulatory Plan, and shall be responsible for all interactions with Regulatory Authorities with respect to the Product in the Territory. In the Limited Territory, IceCure shall be the holder of the Regulatory Approval and all Regulatory Filings for the Product and shall be responsible for all interactions with Regulatory Authorities with respect to the Product in the Limited Territory; without derogating from the above-mentioned, to the extent required by the Applicable Laws and/or with Terumo's obligations as a distributor of the Product, Terumo shall be responsible for interactions with Regulatory Authorities with respect to the Product in the Limited Territory to such extent. Terumo shall ensure that IceCure is updated in advance of such activities and the decisions that may affect the progress of the Regulatory Plan, including allowing IceCure to participate in the discussions with Regulatory Authority (to the extent it is possible and permitted) and discussions regarding the labeling of, and post-marketing surveillance strategies with respect to the Product in Territory, but Terumo may make the final decision with respect to any of the foregoing activities, provided that, in the event such decision impose any substantial obligation on IceCure that are not set forth in this Agreement or Quality Agreement, such decision is feasible and can be exerted by Commercially Reasonable Efforts by IceCure, and that Terumo will bear expenses with respect to such decision as agreed by the Parties. Terumo shall consider in good faith all input provided by IceCure with respect to such regulatory activities. In connection with such activities, Terumo shall timely inform IceCure of scheduled meetings with Regulatory Authorities in the Territory with respect to the Product that may affect the progress of the Regulatory Plan in order to allow IceCure time to convey its opinion on the matter.

(c) Efforts to Obtain Target Indication. Terumo shall use its Commercially Reasonable Efforts to obtain Shonin and Reimbursement Approval for the Target Indication in the Territory.

(d) Expenses. Terumo shall bear all costs and expenses incurred in connection with Regulatory Filings, Regulatory Approvals and Regulatory Plan in the Territory with respect to the Product under this Agreement, provided that IceCure shall bear its internal and out-of-pocket costs and expenses incurred in connection with its assistance and cooperation as set in this Article 5 below which will be reasonably and mutually agreed between the Parties.

(e) Regulatory Cooperation. Each Party shall cooperate with any reasonable requests for assistance from the other Party with respect to obtaining or maintaining Regulatory Approval of the Product in and outside the Territory. IceCure shall be responsible for providing reasonable assistance and cooperation to Terumo, at its own cost (unless otherwise agreed by both Parties), for the Regulatory Filings. As part of such assistance, to the extent available, IceCure shall provide Terumo with Authorized information related to the Product that is required to facilitate such Regulatory Filings, including Data obtained from clinical trials conducted in countries other than the Territory.

5.3 Transfer of and Reference to IceCure Information. During the Term, if and when required necessary, and solely for the purpose of filing for, obtaining, and maintaining Regulatory Approval for the Product and commercializing the Product in the Territory and the Limited Territory, IceCure will make available to Terumo, in consideration of four hundred thousand U.S. dollars (US$400,000) (the "**Information Fee**"), the IceCure Information that exists at the relevant date (in the existing language), together with reasonable assistance to enable Terumo to understand and use such IceCure Information. Terumo shall pay to IceCure the Information Fee, after having deducted the withholding tax amounting to forty thousand U.S. dollars (US$40,000) which amount will be applicable under tax treaty between Israel and Japan after the completion of the application for the deduction of withholding tax to the Tax Authority in Japan. Terumo shall therefore pay to IceCure three hundred sixty thousand U.S. dollars (US$360,000) within thirty (30) days after the completion of the application for the deduction of withholding tax (under tax treaty between Israel and Japan) to the Tax Authority in Japan, provided that each Party shall provide assistance to the other Party so that said application will be completed as soon as possible. Subject to IceCure's prior written consent which shall not be unreasonably withheld, Terumo shall have the right to reference Regulatory Filings outside the Territory that contain IceCure Information solely for the purpose of filing for, obtaining and maintaining Regulatory Approval and commercializing the Product in the Territory and the Limited Territory in accordance with this Agreement. Terumo may use and disclose such IceCure Information to its Affiliates, Sub- Distributors and to Third Party Contractors in connection with marketing activities, medical education activities, professional services activities and public relations activities, or for purposes of obtaining consultation services in the normal course of business (such as business consultants, advertising agencies, law firms, accounting firms, etc.), in each case solely to the extent necessary for filing for, obtaining, and maintaining Regulatory Approval in the Territory and commercializing the Product in the Territory and the Limited Territory, or as may otherwise be agreed in writing by IceCure and Terumo. All such disclosures by Terumo shall be considered as Confidential Information to each Third Party receiving such information and governed by the provisions of Article 8. Terumo shall be responsible for the acts or omissions of a Third Party receiving such IceCure Information, including any such act or omission that would

constitute a breach hereunder if performed by Terumo.

5.4 Business Development. As between the Parties, Terumo will have the sole right to conduct (itself or through an Affiliate or Third Party), at Terumo's expense, nonclinical and clinical business development activities of the Product in or for the Territory. The Parties shall discuss such business development activities, including the design and implementation of such studies, any updates on the progress, and results and publication thereof provided by Terumo. In connection with such activities, Terumo shall be solely responsible for preparing and making Regulatory Submissions and other necessary Regulatory Filings, investigator and site agreements, and for communicating with regulatory and ethics committees and related authorities in the Territory, except as otherwise mutually agreed to by the Parties in writing. Terumo shall not execute any related clinical study agreement, application, or regulatory submission that names IceCure as a co-party, indemnitee, or sponsor in any way without the prior written approval of IceCure. At IceCure's request, Terumo shall update IceCure with the then-current status of its clinical and non-clinical business development of the Product in or for the Territory. Terumo shall maintain full compliance with any and all Applicable Laws, applicable regulatory, ethical, privacy, and legal requirements relating to the conduct of human clinical studies in the Territory, including acquiring and maintaining any appropriate insurance related to product liability and study conduct.

5.5 Diligence. Terumo shall use Commercially Reasonable Efforts to prepare, file for, obtain, and maintain Regulatory Approval for Product in the Territory. IceCure shall use Commercially Reasonable Efforts to prepare, file for, obtain, and maintain regulatory approvals for the Product in the Limited Territory.

5.6 Adverse Event Reporting. Terumo shall be responsible for the timely reporting of all relevant adverse events, complaints, and safety data relating to the Product to the appropriate Regulatory Authorities in the Territory (and *provided* that Terumo shall timely report IceCure of any such events, complaints, or data prior to (or if it is not practicable to do so, promptly after) reporting to the appropriate Regulatory Authorities and shall consider in good faith any reasonable comments made by IceCure, if any, with respect thereto prior to reporting to the appropriate Regulatory Authorities in the Territory), all in accordance with Applicable Laws and requirements of Regulatory Authorities in the Territory and the Limited Territory. IceCure (or its Affiliates, licensees, or sublicensees outside the Territory) shall be responsible for the timely reporting of all relevant adverse events, complaints, and safety data relating to the Product to the appropriate Regulatory Authorities outside the Territory (including the Limited Territory) (and to Terumo). The Parties may agree on a separate agreement to detail such reporting. Each Party shall have the right to review from time to time the other Party's vigilance policies and procedures. The Parties agree to work together in good faith to coordinate regarding vigilance activities with respect to the Product, including by exchanging each Party's standard operating procedures and other Information relevant to such vigilance activities.

5.7 Regulatory Audit. Terumo shall notify IceCure promptly and any event no later than five (5) Business Days after becoming aware of a Regulatory Authority audit or inspection of Terumo or its Affiliates with respect to the Product. The Parties agree to cooperate during the preparation and conduct of any audit by a Regulatory Authority.

5.8 Recalls. In the event that any Regulatory Authority issues or requests a recall (i.e. removal of the Product from distribution, sale or consumption that present a significant health or safety threat) or takes similar action in connection with the Product in the Territory and/or the Limited Territory, or in the event either Party determines that an event, incident, or circumstance has occurred that may result in the need for a recall or market withdrawal (i.e. removal of the Product from the supply chain for any other reason than health or safety), the Party notified of or desiring such recall or similar action shall, within ten (10) Business Days, advise the other Party thereof by telephone (and confirm by email or facsimile). The Parties shall, to the extent practicable, endeavor to discuss and agree upon whether to recall or withdraw the Product in the Territory and/or the Limited Territory[, and (a) in the Territory, Terumo shall review and consider in good faith all information provided by IceCure in connection with such discussion, including any assessment of safety and whether to recall or withdraw the Product; (b) in the Limited Territory, IceCure shall review and consider in good faith the same matter; *provided* that if such discussion is not practicable or if the Parties fail to so agree within an appropriate time period (recognizing the exigencies of the situation), then (i) in the Territory Terumo shall decide whether to recall or withdraw the Product; and (ii) in the Limited Territory IceCure shall decide the same. Such Party determining the recall shall be responsible for conducting any such recall or withdrawal, shall use Commercially Reasonable Efforts to minimize the expenses of any such recall or withdrawal and shall keep the other Party fully informed of all actions taken in conducting such recall or withdrawal. Subject to above, any recall or withdrawal expenses shall be borne by the Parties in proportion to their respective attribution to the cause of the recall.

5.9 Terumo will use all reasonable efforts to seek confidential treatment for IceCure Information or IceCure Patents in all Regulatory Activities; and*provided, further*, that Terumo will use good faith efforts to file redacted versions with any Regulatory Authority.

ARTICLE 6
COMMERCIALIZATION AND SUPPLY

6.1 Commercialization of the Product.

(a) Terumo Responsibilities. Terumo shall (i) have the exclusive right, and shall use its Commercially Reasonable Efforts, to market, promote, sell, offer for sale, and otherwise commercialize the Product in the Territory and the Limited Territory, at its sole cost and expense, in accordance with the Applicable Laws and subject to the terms and conditions of this Agreement. Without limiting the foregoing, Terumo shall have the exclusive right and responsibility in the Territory and the Limited Territory for the following:

(i) designing the commercialization and marketing strategy and tactics for the Product, for potential inclusion in the Commercialization Plan;

(ii) undertaking all promotional activities for the Product;

(iii) establishing and implementing post-market surveillance programs for the Product as required or recommended by a Regulatory Authority (in the Territory only);

(iv) receiving, accepting and filling orders for the Product from customers;

(v) warehousing and distributing the Product to customers;

(vi) controlling invoicing, order processing and collection of accounts receivable for sales of the Product;

(vii) recording sales of the Product in the Territory in its books of account for sales

(viii) providing results of sales of the Product for purposes of periodic safety reports and exposure estimates; and

(ix) specific packaging and labeling requirements for the Territory, *provided* that, if such packaging and labeling is performed by IceCure, Terumo shall pay the incremental cost for specialized packaging and labeling (in the Territory only).

(b) IceCure Responsibilities. IceCure shall provide Terumo with available information and materials reasonably required for Terumo's marketing and sales

and training of Terumo's sales force, including copies of informational brochures, sales and marketing materials, technical information of the Products necessary to respond to any Product inquiries by customers in the Territory and the Limited Territory; provided that, such information and material will be provided in English. During the preparation for the Regulatory Filings for and the initial stage of distribution following obtaining the Shonin, IceCure shall provide assistance in training selected members of Terumo representing Terumo's sales force at IceCure's premises or agreed place by IceCure. Each Party will bear its costs and expenses in connection with the foregoing.

(c) Commercialization Plan. The Parties agree to collaborate in developing the plan for the commercialization of the Product in the Territory and the Limited Territory, which shall identify proposed plans to address potential challenges with respect to commercialization of the Product in the Territory and the Limited Territory (the "***Commercialization Plan***") by in-person or telephonic meetings and which may be revised from time to time. Terumo shall regularly consult with and provide quarterly written updates to IceCure regarding the commercialization strategy for and the commercialization of the Product in the Territory and the Limited Territory.

6.2 Trademark Licenses. During the Term and subject to the terms and conditions of this Agreement, IceCure hereby grants to Terumo an exclusive (during the Exclusivity Term), royalty-free, limited license to use the Product Trademarks solely to promote, market, sell, offer for sale, import, and distribute the Product in the Territory and the Limited Territory in accordance with the terms of this Agreement.

6.3 Supply.

(a) Supply of the Products. The Parties acknowledge and agree that IceCure shall retain the exclusive right to make and have made the Product. No later than September 30th of each calendar year during the Term, Terumo shall submit a non-binding good faith rolling Forecast of Terumo's anticipated quarterly demand of the Products for the coming calendar year for the Territory and the Limited Territory (the "**Forecast**"). IceCure shall notify Terumo within five (5) Business Days from the receipt of the Forecast if it expects it will not be able to fulfill the Forecast and thereafter the Parties shall discuss the Forecast in good faith. IceCure will be deemed to have accepted the Forecast unless IceCure notifies Terumo of said non-fulfillment expectation within five (5) Business Days from the receipt of the Forecast. Subject to the terms of this Agreement, IceCure shall manufacture or have manufactured and supply or have supplied and maintain a capacity of manufacturing to fulfill the accepted Forecast, for the Territory and the Limited Territory, and Terumo shall purchase from IceCure Product for sale in the Territory and the Limited Territory in accordance with the terms and conditions of this Agreement.

(b) Product Price. Terumo shall pay to IceCure the price of the Product in the currency of U.S. dollars as set forth on Exhibit 6.3 (***Product Price***") within thirty (30) days from the date of relevant invoice. IceCure may issue invoice of an order at the time stipulated in Exhibit 6.3.

(c) Purchase Orders. Terumo shall issue written orders to purchase Product under this Agreement (each, a "***Purchase Order***"), each of which shall specify the number of units of each item of the Product to be delivered and the requested delivery date. Within five (5) Business Days after receipt of Terumo's Purchase Order, IceCure shall confirm or decline the Purchase Order in writing. As long as Terumo has submitted a Purchase Order to IceCure at least 120 days prior to the delivery date indicated in such Purchase Order, and quantity of each item of the Product in such Purchase Order was contemplated in the Forecast, IceCure may not decline the Purchase Order. Even if the Purchase Order was submitted later than 120 days prior to the delivery date, or was not contemplated in the Forecast, IceCure shall use Commercially Reasonable Efforts to accept the Purchase Order. All Purchase Orders confirmed by IceCure will be binding and may not be cancelled or modified by either Party without the other Party's written consent.

(d) Initial Order. Upon execution of Distribution Agreement, Terumo shall issue a Purchase Order for ten (10) Consoles and fifty (50) Probes of the Product [and the technical and professional services associated therewith] (**"Initial Order"**) for the purpose of use for clinical studies (and if applicable, for commercial sale) in accordance with the Regulatory Plan. Prices for the Initial Order shall be set forth in Exhibit 6.3.

(e) Superiority of this Agreement. Any term or condition in a Purchase Order, confirmation, or other document furnished by a Party that is inconsistent with the terms and conditions of this Agreement will not be binding on the Parties unless agreed in writing by both Parties.

(f) Safety Stock. If agreed by IceCure in writing, IceCure will maintain such safety stock of Probes in an amount agreed by the Parties in writing.

(g) Delivery. Title to the Product will transfer upon Delivery.

(h) Specifications. IceCure shall deliver Product that is manufactured in accordance with the Specifications, GMP, and Applicable Laws. Each Party shall notify the other Party in writing if it becomes aware of any changes to the Specifications that are required by Applicable Laws or Regulatory Approval in the Territory. In each case, IceCure shall use Commercially Reasonable Efforts to implement any such changes. Any changes to the Specification or to the Product that will affect quality of the Product or Regulatory Approval of the Product must not be implemented unless otherwise agreed by both Parties in advance, or unless otherwise implemented pursuant to the relevant terms and conditions of the Quality Agreement. In any case, any such change to the Specification or to the Product will be notified by IceCure to Terumo at least six (6) months prior to such change.

(i) Release Testing. IceCure shall test each applicable batch or serial of Product in accordance with the Specification Agreement (as defined in Exhibit 1.37) and the Quality Agreement. Prior to the Delivery, IceCure shall conduct inspection of the Product in accordance with IceCure's standard lot release testing methods approved by Terumo in writing. The Parties shall agree in good faith upon such standard lot release-testing methods prior to the Shonin. IceCure shall send to Terumo a written certification of the results for each shipment. At Terumo costs and expenses, Terumo or its Affiliates shall conduct the incoming inspections and testing of the Product as set forth in the Specification Agreement or the Quality Agreement and as required by Applicable Laws and applicable Regulatory Authorities in the Territory and the Limited Territory. Terumo shall be responsible for final Product release testing for the Product in the Territory.

(j) Acceptance and Rejection. At Terumo costs and expenses (including unpacking and packing), Terumo, itself or through its Affiliates or Sub-Distributors, will inspect and test each shipment of the Product in accordance with the Specification Agreement or Quality Agreement upon arrival of such Product in the Territory or the Limited Territory, as applicable. Terumo may reject and return any part of a shipment of the Product that does not conform to the Specifications, GMP, or Applicable Laws by giving written notice to IceCure identifying the reasons for the rejection of the shipment within thirty (30) days after discovering such defect, but no later than the time thirty (30) days have passed upon receipt of the Products in the Territory/ the Limited Territory. The acceptance criteria is intended to be agreed by the Parties in the Specification Agreement or Quality Agreement. Payment of the Product Price shall constitute the acceptance of the delivery. If, after accepting a delivery of the Product, Terumo subsequently discovers an alleged Product defect not reasonably discoverable by the inspection described in this Section, or by inspecting the batch documentation accompanying such shipment upon delivery, during the acceptance period set forth in this Section, Terumo may revoke its acceptance and reject such delivery by giving written notice and disclosing the nature of such defect to IceCure within thirty (30) days after discovering such defect.

(k) Evaluation of Defect. Within twenty (20) Business Days after notice of rejection pursuant to Section 6.3(j) is received by IceCure, IceCure shall notify

Terumo whether it disagrees with the reasons for Terumo's rejection of the Product. If IceCure disagrees, both Parties shall discuss in good faith in order to agree on whether there was a reasonable basis for rejection. If the Parties do not agree after thirty (30) days of discussion in good faith, IceCure shall, unless waived in writing by either Party accepting the other Party's opinion, have the right to submit such issue for resolution by an independent Third Party laboratory chosen by both Parties. IceCure shall work closely with Terumo in preparing all statements, reports, analyses, and other materials submitted to the independent laboratory for evaluation. The evaluation of the independent laboratory will be binding on IceCure and Terumo. If the evaluation determines that the Product does not conform with the Specifications, GMP, or Applicable Laws, Terumo may reject the Product as set forth herein, and as between IceCure and Terumo, IceCure shall be responsible for the cost of the evaluation. If the evaluation does not determine the said nonconformity of the Product claimed by Terumo, then Terumo will be deemed to have accepted such Product, which will be deemed to be conforming on the date the evaluation is delivered by the independent laboratory, and Terumo will reimburse IceCure for the costs of such evaluation; *provided, however*, that Terumo may determine, in its sole discretion, not to use such Product. With respect to any quantity of Product that IceCure agrees is deficient in accordance with Terumo's notice of rejection, or that is otherwise found to be deficient by the independent laboratory, IceCure shall repair such quantity of Product at its own cost and within reasonable time, and if such cannot be repaired or is not repaired within reasonable time, at Terumo's option, either refund to Terumo the Product Price paid by Terumo for such quantity of Product or replace such quantity of Product at no charge (***"Remedy for Defect"***). All evaluation proceedings by the independent laboratory shall be conducted in the English language and the personnel of the independent laboratory shall be fluent in English. All documentation or discussions, shall be presented in English.

(l) Disposition of Rejected Product. Terumo may not destroy any damaged, defective, returned, or recalled Product for which it intends to send IceCure a notice of rejection without IceCure's prior written authorization to do so. With respect to any quantity of Product that IceCure agrees is deficient in accordance with Terumo's notice of rejection, or that is otherwise found to be deficient by the independent laboratory, IceCure may instruct Terumo to return the defective Product to IceCure. IceCure shall bear the costs of shipping, storage, and disposition for any damaged, defective, returned, or recalled Product for which it bears responsibility under this Section 6.3(k) and will promptly reimburse Terumo for any such costs which may be incurred directly by Terumo. Further, IceCure shall make Commercially Reasonable Efforts to conduct analysis of the cause of the deficiency upon receipt of Terumo's request.

6.4 Terumo's Commitments to Purchase. Terumo commits to purchase from IceCure the amounts of Products under the conditions as set forth in Exhibit 6.4.

6.5 Quality. The Parties will negotiate in good faith and, no later than one (1) month prior to the delivery of any Product (other than the Initial Order) under this Agreement, or such later time as the Parties may agree in writing, enter into a quality agreement governing the quality assurance obligations of the Parties with respect to the manufacture and supply of the Product (as it may be amended or modified from time to time according to its terms, the "***Quality Agreement***"). In the event of a discrepancy between the provisions of the Quality Agreement and the provisions of this Agreement, the provisions of the Quality Agreement shall control with respect to terms governing quality of the Product and the provisions of this Agreement shall control with respect to all other terms. IceCure shall require all Product supplied to Terumo hereunder to be manufactured, stored, tested, transported, disposed of, and otherwise handled in accordance with the Specifications, GMP, Applicable Laws, and the Quality Agreement. IceCure shall maintain and follow a quality control and quality assurance testing program consistent with the Quality Agreement. Each time IceCure ships the Product to Terumo, it will provide Terumo with the documentation specified in the Quality Agreement. IceCure shall conduct GMP audits of its manufacturing facilities according to its internal standard operating procedures.

6.6 Inspections. During IceCure's normal business hours and upon prior reasonable coordination in good faith between the Parties, IceCure shall make its standard operating procedures, books and records relating to the manufacture of the Product available and allow access to all the facilities used for the manufacture of the Product to Terumo and any Regulatory Authority in the Territory having jurisdiction over the manufacture of the Product for the purposes of determining IceCure's compliance with GMP and Applicable Laws. IceCure shall notify Terumo of any U.S, and/or Chinese Regulatory Authority inspections and inspections conducted by a notified body in connection with CE Mark, which are related to the manufacture of the Product by the process outlined in the Quality Agreement . IceCure shall promptly inform Terumo if IceCure becomes aware of any action taken by such Regulatory Authority or notified body against IceCure that could reasonably be expected to materially impact the Product or IceCure's ability to supply the Product hereunder, and shall provide a copy of such notice to Terumo within seven (7) Business Day after IceCure has actual knowledge that such action has been taken and receives such notice. IceCure shall cooperate with Terumo in response to any communication, whether oral or written, from a Regulatory Authority in the Territory to Terumo or IceCure or any Third Party engaged by either Party, with regard to the manufacture of the Product including validation, prior to the Effective Date and throughout the Term, all in connection with the Regulatory Plan. Terumo may request IceCure that Terumo or its designee, at Terumo costs and expense, conduct regularly schedule audit as agreed by the Parties and conduct "for cause" audits where reasons exist for such "for cause" audit (such as death or serious injury possibly caused by the Product). If such "for cause" audits result from any nonconformity of the Product to the Specifications, GMP, or Applicable Laws, including any defects of Product as set forth in the Quality Agreement, IceCure shall reimburse Terumo for the reasonable cost of such audit, which amount will be mutually discussed in good faith.

6.7 Maintenance. Terumo shall be entitled to provide technical service to its customers for the Products, including maintenance service, provided that such technical service shall be provided by limited personnel of Terumo who received training provided by IceCure or its designee, or subject to IceCure's written approval prepared by Terumo pursuant to IceCure's reasonable instruction (***"Authorized Personnel"***). Upon request of Terumo, IceCure shall provide Terumo the training for the purpose that Terumo's personnel will be eligible to provide the technical services properly to its customers. The allocation of the cost for provision of such training shall be mutually agreed by the Parties. Further upon reasonable request of Terumo, IceCure shall provide spare parts of the Products to Terumo. The terms and conditions for providing such spare parts, including the spare parts' pricing list, will be mutually agreed by the Parties.

6.8 Licenses; Permits; Documentation. IceCure shall maintain, to the extent required by Applicable Laws in connection with IceCure's performance of its manufacturing obligations hereunder, during the Term, all government permits, including health, safety, environmental permits, and Regulatory Approval in the Limited Territory, necessary for the manufacture of the Product and sale of the Products to Terumo or its Affiliates pursuant to this Agreement. IceCure shall also maintain the qualifications as *Gaikoku-seizou-gyosha* (foreign legal manufacturer) that was approved by MHLW as part of Shonin, unless Terumo approves of any change in writing, and shall consult with Terumo immediately if any change that could impact such qualifications occurs or is expected to occur. The process to maintain qualification as *Gaikoku-seizou-gyosha* and to maintain the supply of Product in the events of changes that require submissions to MHLW in relation to such qualification shall be set forth in the Quality Agreement. IceCure shall maintain, to the extent required by Applicable Laws in connection with IceCure's performance of its obligations hereunder, in accordance with GMP and other Applicable Laws, complete, accurate, and authentic accounts, notes, data, and records pertaining to the manufacture and testing of the Product. During IceCure's normal business hours and upon prior reasonable coordination, IceCure shall make such records available to Terumo for inspection. Retention of records of manufacturing of each batch (as applicable) shall be agreed in the Quality Agreement, for removal of doubt samples will not be retained.

ARTICLE 7
PAYMENTS, BOOKS, AND RECORDS

7.1 Payment Method. All amounts specified to be payable under this Agreement are in United States dollars and shall be paid in United States dollars. All payments under this Agreement shall be made by bank wire transfer in immediately available funds to an account designated in writing by the payee Party or by such other means as directed by such Party in writing. Payments hereunder will be considered to be made as of the day on which they are received by the payee Party's designated bank.

7.2 Currency Conversion. For the purpose of calculating any sums due under this Agreement, and subject to the Product Price adjustment set forth on Exhibit 6.3, conversion shall be made to U.S. dollars by using the arithmetic mean of the exchange rates for the purchase of United States dollars as quoted by the Bank of Tokyo-Mitsubishi UFJ or other reputable source if agreed between the Parties.

7.3 No Setoff. Neither of the Parties will be entitled to setoff against any amounts due and payable to the other Party under this Agreement, unless otherwise agreed, or except for setoff of the amount due and payable by Terumo to IceCure under this Agreement against (i) IceCure's indemnification obligation under this Agreement; (ii) IceCure's obligation to make refund pursuant to Section 6.3 (k) or Section 12.3; and/or (iii) IceCure's obligation to pay Termination Fee (as defined in Section 12.3(b)). In order to setoff the amount due and payable by Terumo to IceCure under this Agreement against the amounts described in the above (i), (ii) and (iii) of this Section 7.3, Terumo shall inform IceCure by sending a 30 day prior written notice regarding its decision to setoff the relevant amount (***"Set-off Amount"***). Without prejudice to the entitlement to set-off by Terumo under this Section, IceCure may notify in writing to Terumo within five (5) Business Days from the receipt of said notice from Terumo if IceCure reasonably believes that the Set-off Amount is inconsistent with this Section 7.3, and upon receipt such notice by Terumo, the Parties will mutually discuss to find whether the amount is inconsistent with this Section 7.3. If certain portion or whole of the IceCure's obligations (i) through (iii) against which set-off was made is finally found to be non-existent as a result of the dispute-resolution process under Article 13, or acknowledged in writing by Terumo to be non-existent, the interest set forth in Section 7.6 shall accrue on such amount that was unpaid by Terumo from the original due date.

7.4 Taxes. In the event that Terumo is required to withhold any taxes on amounts payable to IceCure in accordance with Applicable Laws, Terumo will make payment to IceCure net of any withholding tax that may be due (i.e. Terumo will make payment after deducting the amount of such withholding tax from the amounts payable to IceCure). Terumo shall notify IceCure its intention to deduct such withholding tax from the amounts payable to IceCure. IceCure may notify Terumo of its opinion on a reasonable ground that Terumo will not be required to withhold the taxes under Applicable Laws, in which case the Parties will discuss and make efforts to find a solution compliant with Applicable Laws.. For purposes of this Section, each Party agrees to provide the other with reasonable assistance including provision of any tax forms and other information that may be reasonably necessary in order for the paying Party not to withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Notwithstanding Article 3, unless otherwise agreed in writing by both Parties, in the event Terumo is required to withhold any taxes on amounts of an Upfront Payment but that Terumo is able not to withhold tax or is able to withhold tax at a reduced rate under applicable bilateral income tax treaty, , Terumo will not be required to make payment of applicable Upfront Payment until the completion of the relevant application for the exemption or reduction of withholding tax to the Japanese tax authority.

7.5 Tax Indemnification. In case Tax Authority claims, demands, or brings action to or against Terumo claiming that (i) Terumo did not pay the withholding tax imposed upon the Upfront Payment under Applicable Laws; and/or (ii) the withholding tax paid by Terumo in connection with Upfront Payment was insufficient under Applicable Laws (collectively ***"Tax Authority Claims"***), subject to Section 10.5, IceCure shall indemnify and hold harmless Terumo Indemnitees (as defined in Section 11.2) from and against any and all damages, losses, costs, and reasonable expenses (including any penalty of late payment of withholding tax or similar fine/penalty, except if such penalty results from Terumo's willful misconduct) incurred by Terumo Indemnitees due to the Tax Authority Claims (***"Tax Liability"***).

7.6 Late Payments. In the event that any payment by a Party due to the other Party under this Agreement is not made when due, and in addition to any other remedies the other Party may have in law or in equity, the payment shall accrue interest from the date due at a rate per annum equal to one percent (1%) above the U.S. Prime Rate (as set forth in *The Wall Street Journal*, Eastern U.S. Edition) for the date on which payment was due, calculated daily on the basis of a 365-day year, or similar reputable data source; *provided* that in no event shall such rate exceed the maximum legal annual interest rate.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, the Parties agree that during the Term and for five (5) years thereafter, the receiving Party (the "***Receiving Party***") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as set forth in this Agreement any Information or materials furnished to it or its Affiliates by or on behalf of the other Party (the "***Disclosing Party***") or its Affiliates pursuant to this Agreement, the Confidentiality Agreement or any other written agreement between the Parties or their Affiliates, in any form (written, oral, photographic, electronic, magnetic, or otherwise), including all information concerning the Product and any other technical or business information of whatever nature (collectively, "***Confidential Information***" of the Disclosing Party). Each Party may use the Confidential Information of the other Party only to the extent required to accomplish the purposes of this Agreement (including to exercise its rights or fulfill its obligations under this Agreement). Each Party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the Confidential Information of the other Party. Each Party will promptly notify the other upon discovery of any unauthorized use or disclosure of the Confidential Information of the other Party. For the avoidance of doubt, Terumo shall be responsible for the breach of this Article 8 by any Sub-Distributor or Third Party contractors that it retains.

8.2 Exceptions. Notwithstanding Section 8.1 above, the obligations of confidentiality and non-use shall not apply to information that the Receiving Party can prove by competent written evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party or any of its Affiliates, generally known or available; (b) is known by the Receiving Party or any of its Affiliates, other than under an obligation of confidentiality to the Disclosing Party, at the time of receiving such information; (c) is hereafter lawfully furnished to the Receiving Party or any of its Affiliates by a Third Party, which Third Party did not receive such information directly or indirectly from the Disclosing Party or other Third Party under an obligation of confidence; (d) is independently discovered or developed by the Receiving Party or any of its Affiliates without the use or reference of Confidential Information belonging to the Disclosing Party; or (e) is the subject of a written permission to disclose provided by the Disclosing Party.

8.3 Permitted Disclosures. Notwithstanding the provisions of Section 8.1, the Receiving Party may disclose Confidential Information of the Disclosing Party as expressly permitted by this Agreement or if and to the extent such disclosure is reasonably necessary in the following instances:

(a) filing or prosecuting by IceCure of its Patents;

(b) prosecuting or defending litigation as permitted by this Agreement (solely to non sensitive information);

(c) complying with applicable court orders, governmental regulations or, applicable subpoenas or reasonable requests issued by governmental authorities in relation to compliance with the FCPA, Export Control Laws and other Applicable Laws;

(d) in the case of Terumo, disclosure under terms of confidentiality no less stringent than under this Agreement to Sub-Distributors and subject to Article __ above;

(e) in the case of IceCure, disclosure under terms of confidentiality no less stringent than under this Agreement to potential or actual IceCure ex-Territory Distributors;

(f) disclosure to its and its Affiliates' contractors, employees and consultants, in each case who need to know such information for filing for, obtaining and maintaining Regulatory Approvals and commercialization of Product in the Territory in accordance with this Agreement (or, in the case of disclosures by IceCure, who need to

know such information for the development, manufacture and commercialization of the Product), on the condition that any such Third Parties agrees in writing to be bound by confidentiality and non-use obligations that are no less stringent than those confidentiality and non-use provisions contained in this Agreement; and

(g) disclosure of the Agreement (no other information) to Third Parties in connection with due diligence or similar investigations by such Third Parties, and disclosure to current or prospective investors, lenders, sublicensees, collaborative partners, acquirers, merger partners, or providers of financing and their advisors; *provided*, in each case, that any such Third Party agrees to be bound by confidentiality and non-use obligations that are no less stringent than those confidentiality and non-use provisions contained in this Agreement.

Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to Section 8.3(b) or (c), it will, except where impracticable, give reasonable advance notice to the other Party of such disclosure and use efforts to secure confidential treatment of such information at least as diligent as such Party would use to protect its own Confidential Information, but in no event less than reasonable efforts. In any event, the Parties agree to take all reasonable action to avoid disclosure of Confidential Information hereunder.

8.4 Confidentiality of this Agreement and its Terms. Except as otherwise set forth in this Article 8, each Party agrees not to disclose to any Third Party the existence of this Agreement or the terms of this Agreement without the prior written consent of the other Party, except that each Party may disclose the terms of this Agreement that are not otherwise made public as contemplated by Section 8.5 as permitted under Section 8.3.

8.5 Public Announcements.

(a) Except as required by Applicable Laws (including disclosure requirements of the SEC, TASE or any stock exchange on which securities issued by a Party or its Affiliates are traded), neither Party shall make any public announcement concerning this Agreement or the subject matter hereof without the prior written consent of the other; *provided* that each Party may make any public statement in response to questions by the press, analysts, investors or those attending industry conferences or financial analyst calls, or issue press releases, so long as any such public statement or press release is not inconsistent with prior public disclosures or public statements approved by the other Party pursuant to this Section 8.5(a) and does not reveal non-public information about the other Party. In the event of a public announcement required by Applicable Laws, to the extent practicable under the circumstances, the Party making such announcement shall provide the other Party with a copy of the proposed text of such announcement sufficiently in advance of the scheduled release to afford such other Party a reasonable opportunity to review and comment upon the proposed text.

(b) The Parties will coordinate in advance with each other in connection with the filing of this Agreement (including redaction of certain provisions of this Agreement) with any stock exchange on which securities issued by a Party or its Affiliate are traded, and each Party will use reasonable efforts to seek confidential treatment for the terms proposed to be redacted; *provided* that each Party will ultimately retain control over what information to disclose to an applicable government body, and *provided, further*, that the Parties will use good faith efforts to file redacted versions with any governing bodies which are consistent with redacted versions previously filed with any other governing bodies. Other than such obligation, neither Party (nor its Affiliates) will be obligated to consult with or obtain approval from the other Party with respect to any filings to the government body governing a stock exchange.

(c) Except as expressly permitted in this Agreement or as required by Applicable Laws, neither Party may use the other Party's trademarks, service marks or trade names, or otherwise refer to or identify that other Party in marketing or promotional materials, press releases, statements to news media or other public announcements, without the other Party's prior written consent, which that other Party may grant or withhold in its sole discretion.

8.6 Publication. At least thirty (30) days prior to Terumo or its Affiliates publishing, publicly presenting, and/or submitting for written or oral publication a manuscript, presentation, abstract, marketing document or the like that includes Information or Data relating to the Product that has not been previously published, Terumo shall provide to IceCure's Alliance Manager a draft copy thereof for IceCure's review and approval (unless Terumo is required by Applicable Laws to publish such Information sooner, in which case Terumo shall provide such draft copy to IceCure's Alliance Manager as much in advance of such publication as possible). The contribution of each Party shall be noted in all publications or presentations by acknowledgment or co-authorship, whichever is appropriate.

8.7 Prior Non-Disclosure Agreements. As of the Effective Date, the terms of this Article 8 shall supersede any prior non-disclosure, secrecy or confidentiality agreement between the Parties (or their Affiliates) dealing with the subject of this Agreement, including the Confidentiality Agreement. Any information disclosed under such prior agreements shall be deemed disclosed under this Agreement.

8.8 Equitable Relief. Given the nature and value of the Confidential Information and the competitive damage and irreparable harm that would result to a Party upon unauthorized disclosure, use or transfer of its Confidential Information to any Third Party, the Parties agree that monetary damages may not be a sufficient remedy for any breach of this Article 8. If the Receiving Party becomes aware of any breach or threatened breach of this Article 8 by the Receiving Party or a Third Party to whom the Receiving Party disclosed the Disclosing Party's Confidential Information, the Receiving Party promptly shall notify the Disclosing Party and cooperate with the Disclosing Party to regain possession of its Confidential Information and prevent any further breach. In addition to all other remedies, a Party shall be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach or threatened breach of this Article 8 without furnishing proof of actual damages.

ARTICLE 9
INTELLECTUAL PROPERTY OWNERSHIP AND ENFORCEMENT

9.1 Ownership of Intellectual Property.

(a) IceCure Patents and IceCure Information; Inventions. Without derogating from the limited license provided to Terumo explicitly set forth in this Agreement including Sections 5.3, 6.2, and 9.1(b), IceCure shall retain all Intellectual Property Rights in the Product including without limitation all right, title, and interest in and to the IceCure Patents and IceCure Information, and any and all derivative works (by whomever created, including Terumo and/or its Affliates), developments, modifications and feedbacks related to the Product, IceCure Patents and/or IceCure Information, but in any event excluding Study Information and Regulatory Submissions. Terumo shall inform IceCure of any Invention (as defined below) relating to the Product and, at IceCure's request and expense, Terumo hereby expressly assigns all right, titles and interests in and to any Inventions (defined below) to IceCure and shall execute any necessary assignment, Patents forms, trademarks, and the like and will assist in the drafting of any description or specification of the Invention as may be required for IceCure's records and in connection with any application for Patents. Terumo shall treat all Information relating to any Invention as Confidential Information. While, where relevant, the name of the inventor on the Patent applications will be that of the inventor IceCure shall be the exclusive owner of any invention, Trademark, copyright, improvement, know-how or other intellectual property which shall be developed by Terumo using any IceCure Patents and IceCure Information, but in any event excluding Study Information and Regulatory Submissions (***"Inventions"***), and of any patent, patent application, trademark, copyright and such other rights therein, without any additional compensation to Terumo. For avoidance of doubt, Terumo will not be required to assigns all right, titles and interests in and to Study Information and Regulatory Submission to IceCure.

(b) Terumo's Intellectual Property Rights. Subject to the terms and conditions of this Agreement, Terumo shall retain all Intellectual Property Rights in the Study Information and Regulatory Submissions, including without limitation all right, title, and interest therein and thereto. For the removal of any doubt, IceCure shall retain all Intellectual Property Rights in all IceCure Information, IceCure Patents, Inventions and/or any other Information (including Data) provided to Terumo by IceCure pursuant to this Agreement, included in the Regulatory Submissions. Unless otherwise mutually agreed in writing, Terumo will not be required to (i) make available to IceCure, at no additional cost or expense to IceCure, the Study Information and Regulatory Submissions (including without limitation all the related Data), and (ii) allow IceCure to use such information at no additional cost or expense to IceCure, or to share it with IceCure's licensee, distributors or other Third Party, with respect to IceCure's business outside of the Territory.

(c) Other Intellectual Property Rights. Each Party shall own the entire right, title and interest in and to any and all Information discovered, developed, identified, made, conceived or reduced to practice by or on behalf of such Party or its Affiliates or their respective employees, agents or contractors during the Term, whether or not patented or patentable, together with any and all Intellectual Property Rights in any such Information, including Patents that claim or disclose any such Information.

9.2 IceCure Patent Prosecution and Maintenance. As between IceCure and Terumo, IceCure shall have the sole right, but not the obligation, to prepare, file, prosecute (including any reissues, re-examinations, post-grant proceedings, requests for patent term extensions, interferences, and defense of oppositions) and maintain the IceCure Patents, at IceCure's sole discretion and cost.

9.3 Infringement by Third Parties.

(a) Notice. In the event that either IceCure or Terumo becomes aware of any infringement or threatened infringement by a Third Party in the Territory or the Limited Territory of any IceCure Patents, it shall notify the other Party in writing to that effect. Any such notice shall include evidence to support an allegation of infringement or threatened infringement by such Third Party.

(b) Control of Action. IceCure shall have the right, but not the obligation, to bring and control any action or proceeding with respect to alleged or threatened infringement by a Third Party in the Territory and the Limited Territory of any IceCure Patent (***"Infringement By Third Party"***) at its own cost. IceCure shall keep Terumo reasonably informed of any such actions or proceedings, and the Parties shall cooperate and consult with each other in strategizing regarding any such action or proceeding; *provided* that IceCure shall control and have the right to make all final decisions (regardless of whether or not Terumo is a party to such action or proceeding) regarding all matters in the preparation and conduct of any such action or proceeding. If the Infringement By Third Party is with respect to Product and may affect the amount of Terumo's distribution of the Products for the Target Indication in the Territory under this Agreement (***"Infringement By Third Party concerning the Target Indication"***), and IceCure does not bring such action or proceeding within a reasonable time frame, without the release of IceCure's obligation in the preceding sentence, Terumo shall be exempted from the obligation to purchase Minimum Purchase Amount set forth in Exhibit 6.4 (***"MPA Exemption"***), and also may terminate this Agreement pursuant to Section 12.2 of this Agreement.

(c) Recoveries. Any monetary recovery resulting from actions or proceedings under this Section 9.3 will be allocated as follows: each of Terumo and IceCure first will be reimbursed, out of such recovery, for its reasonable and verifiable costs and expenses with respect to such action or proceeding (such reimbursement to be pro-rata based on the Parties' relative costs and expenses if the recovery is not sufficient to reimburse both Parties fully) with any remainder being allocated in proportion to each Party's loss of gross profit, or if such allocation could not be identified, equally between the Parties.

9.4 Infringement of Third Party Rights. If either Party becomes aware of any intellectual property in the Territory and/or the Limited Territory owned by a Third Party that it believes will, or may, be infringed by the manufacture, importation, development or commercialization of the Product in the Territory or the Limited Territory as contemplated by this Agreement, such Party shall notify the other Party of such intellectual property. The Parties then shall discuss the matter and seek in good faith to agree on whether the Parties should take a license under such intellectual property, and if so, on what terms; *provided* that, if the Parties are unable to agree after a reasonable period, not to exceed thirty (30) days, of good faith discussions, then IceCure shall have the right, but not the obligation, to obtain such a license on such terms as it determines in its sole discretion. In the event any Third Party files a claim alleging infringement of the Intellectual Property Rights of such Third Party by the manufacture, importation, development or commercialization of the Product in the Territory and/or the Limited Territory as contemplated by this Agreement, IceCure shall bring and control any defense of any such claim, at IceCure's sole cost and expense and by counsel of its own choice, and Terumo shall have the right, to be represented in any such action by counsel of its own choice, at Terumo's sole cost and expense. Neither Party shall enter into any settlement or compromise of any action under this Section 9.4 which would in any manner alter, diminish, or be in derogation of the other Party's rights under this Agreement without the prior written consent of such other Party, which shall not be unreasonably withheld or delayed. Subject to preceding sentence, IceCure shall be responsible for any and all fees, milestones, royalties and other payments owed to a Third Party under any agreement entered by IceCure with such Third Party in connection with the sale, offer for sale or import of the Product in the Territory and the Limited Territory.

9.5 Patent Term Restoration. IceCure may ask Terumo in writing to cooperate with IceCure in obtaining patent term restoration, extensions and/or any other extensions of the IceCure Patents as available under Applicable Laws, subject to IceCure's rights under Section 9.1. Terumo will use good-faith efforts to provide cooperation, the way of which will be determined by Terumo at its sole discretion.

9.6 Product Trademarks.

(a) Selection and Ownership of Product Trademarks. All packaging, promotional materials, package inserts, and labeling for the Product in the Territory and the Limited Territory may bear one or more Trademarks that pertain specifically to the Product, including the Trademarks in existence as of the Effective Date as set forth in Exhibit 9.6 (together with the alternative Trademarks mentioned in the next sentence, each, a "***Product Trademark***"). If the Product Trademarks in existence as of the Effective Date are not eligible for trademark protection or for use in connection with the Product in the Territory and/or the Limited Territory, then IceCure shall have the right to identify alternative Trademarks owned, registered or to be registered by IceCure and that can be used for the Product in the Territory and/or the Limited Territory. IceCure or its Affiliates shall own all Intellectual Property Right in and to all Product Trademarks, all corresponding trademark applications and registrations thereof, and all common law rights thereto. All goodwill of the business associated with or symbolized by the Product Trademarks shall inure to the benefit of IceCure. Terumo acknowledges IceCure's exclusive ownership of the Product Trademarks and agrees not to take any action inconsistent with such ownership.

(b) Maintenance and Prosecution of Product Trademarks. IceCure shall, at IceCure's sole expense, control the registration, prosecution and maintenance of the Product Trademarks in the Territory and the Limited Territory; *provided* that IceCure shall keep Terumo reasonably informed of IceCure's actions with respect thereto and shall consider in good faith any reasonable comments made by Terumo with respect thereto. If IceCure plans to abandon any such Product Trademark in the Territory and/or the Limited Territory, IceCure shall notify Terumo in writing at least ninety (90) days in advance of the due date of any payment or other action that is required to maintain such Product Trademark, and Terumo may elect, upon written notice within such ninety (90)-day period to IceCure, to make such payment or take such action, at Terumo's expense, and IceCure shall reasonably cooperate with Terumo in connection with such maintenance activities.

(c) Use of Product Trademarks. If the Parties agree and determine that Terumo will use the Product Trademarks on the Products sold in the Territory and/or the Limited Territory, Terumo shall comply with reasonable policies provided by IceCure from time to time to maintain the goodwill and value of the Product Trademarks. In such a case, Terumo shall not, and shall cause its Affiliates not to, (i) use, seek to register, or otherwise claim rights in the Territory in any Trademark that is confusingly similar

to, misleading or deceptive with respect to, or that materially dilutes, any of the Product Trademarks, or (ii) knowingly do, cause to be done, or knowingly omit to do any act, the doing, causing or omitting of which endangers, undermines, impairs, destroys or similarly affects, in any material respect, the validity or strength of any of the Product Trademarks (including any registration or pending registration application relating thereto) or the value of the goodwill pertaining to any of the Product Trademarks.

(d) Enforcement of Product Trademarks. IceCure shall have the right, but not the obligation, to bring and control any action or proceeding, at IceCure's expense, to enforce the Product Trademarks in the Territory and/or the Limited Territory, including taking such action as IceCure deems necessary against a Third Party based on any alleged, threatened or actual infringement, dilution or misappropriation of, or unfair trade practices or any other like offense relating to, the Product Trademarks in the Territory and/or the Limited Territory by a Third Party. If IceCure does not enforce the Product Trademarks in any such instance, then IceCure shall promptly so notify Terumo, and Terumo shall have the right, but not the obligation, at Terumo's expense, to do so. Each Party shall provide to the other Party all reasonable assistance requested by such first Party in connection with any such action, claim or suit under this Section 9.7(d), including allowing such first Party access to such other Party's documents and to such other Party's personnel who may have possession of relevant information.

ARTICLE 10
REPRESENTATIONS, WARRANTIES AND COVENANTS; LIMITATION OF LIABILITY

10.1 Mutual Representations, Warranties and Covenants. Each Party hereby represents and warrants to the other Party, as of the Effective Date, as follows:

(a) such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such would prevent such Party from performing its obligations under this Agreement;

(b) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary corporate action, and this Agreement is a legal and valid obligation binding on such Party and enforceable in accordance with its terms and does not: (i) to such Party's knowledge and belief, violate any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over such Party; nor (ii) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which such Party is a party or by which it is bound;

(c) such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party, or has completed, or is not required to complete, any registration, qualification, designation, declaration or filing with any Regulatory Authority or governmental authority in connection with the execution and delivery of this Agreement and the performance by such Party of its obligations under this Agreement;

(d) such Party has the right to grant the rights contemplated under this Agreement and has not, and will not during the Term, grant any right to any Third Party that would conflict with the rights granted to the other Party hereunder;

(e) such Party is not debarred or disqualified under the United States Federal Food, Drug and Cosmetic Act or related United States Applicable Laws or comparable Applicable Laws in the Territory and it does not, and will not during the Term, employ or use the services of any Person who is debarred or disqualified, in connection with activities relating to the Product, and in the event that either Party becomes aware of the debarment or disqualification or threatened debarment or disqualification of any Person providing services to such Party, including the Party itself and its Affiliates, that directly or indirectly relate to activities under this Agreement, such Party shall immediately notify the other Party and shall cease employing, contracting with, or retaining any such person to perform any services under this Agreement;

(f) in the performance of its obligations hereunder, such Party shall comply in all material respects and shall cause its and its Affiliates' employees and contractors to comply in all material respects with all Applicable Laws;

(g) such Party and its Affiliates and their respective employees and contractors have not and shall not, directly or indirectly through Third Parties, pay, promise or offer to pay, or authorize the payment of, any money or give any promise or offer to give, or authorize the giving of anything of value to a Public Official or Entity or other Person for purpose of obtaining or retaining business for or with, or directing business to, any Person, including IceCure or Terumo; and, without any limitation to the foregoing, such Party and its Affiliates and their respective employees and contractors have not and shall not directly or indirectly promise, offer or provide any corrupt payment, illicit gratuity, emolument, bribe, kickback, illicit gift or hospitality or other illegal or unethical benefit to a Public Official or Entity or any other Person, and no political contributions or charitable donations have been or shall be given, offered, promised, or paid, that are in any way related to this Agreement;

(h) such Party is aware of all applicable anti-corruption and anti-bribery laws, including the FCPA, and all applicable anti-corruption laws in effect in the countries in which such Party conducts or will conduct business, and such Party and its Affiliates and their respective employees and contractors shall not cause any of their respective employees or agents to be in violation of the FCPA, Export Control Laws or any other Applicable Laws;

(i) such Party shall fully cooperate and shall cause its Affiliates and their respective employees, contractors and subcontractors to cooperate fully with the other Party in ensuring compliance with the FCPA, Export Control Laws and all other similar Applicable Laws;

(j) such Party shall maintain accurate and complete records of its receipts and expenses having to do with this Agreement, including records of payments to any Public Official or Entity or other Person, in accordance with generally accepted accounting principles, and shall make such books and accounting records available for review by the other Party, or by an independent party nominated by such other Party, at such other Party's reasonable request; and

(k) such Party shall immediately notify the other Party if such Party has any information or suspicion that there may be a violation of the FCPA, Export Control Laws or any other similar Applicable Law in connection with the performance of this Agreement or the sale of the Product in the Territory; and

(l) If either Party materially breaches any representation or warranty of this Section 10.1, the other Party shall have, in addition to any other rights and remedies available to it, the right to unilaterally and immediately terminate this Agreement.

10.2 Representations, Warranties and Covenants of IceCure. IceCure represents, warrants, and covenants to Terumo that:

(a) as of the Effective Date, IceCure has not received written notice of any pending or threatened claims or actions alleging that the development or commercialization of the Product infringes or would infringe the Intellectual Property Right(s) of any Third Party in the Territory and/or the Limited Territory, and IceCure is not aware of any facts that would give rise to any such claim or action;

(b) IceCure will submit to Terumo, until the later of: (a) seventy (70) days after the end of each Calendar Quarter, or (b) ten (10) Business Days following filing to TASE pursuant to the Israeli Securities Law, 5728-1968 the condensed consolidated financial statements in English (consisting of balance sheet, profit and loss statement and cash flow statement reflecting the financial conditions and operating results of IceCure's business activities during the quarter) (***"Financial Statements"***); provided however, in case IceCure or its Affiliates' securities will no longer be traded, and the disclosure requirements of the SEC, TASE or any stock exchange will not apply to such, IceCure's will submit to Terumo, its non-audited condensed consolidated Financial Statements for the Calendar Quarter which shall be certified by the CFO of IceCure as true and correct in all material respects and which shall be written in English;

(c) IceCure will notify Terumo immediately if its management decides to discontinue IceCure's business relating to the Product or to file for insolvency proceedings;

(d) the Product shall, at the time of Delivery to Terumo hereunder, meet the Specifications, and have no defect in design, material, or workmanship to be used for the Target Indication. Notwithstanding, this warranty under this subsection with respect to the Console will be limited for a period of twelve (12) months from the applicable Delivery (***"Console Warranty"***). The Console Warranty shall not apply to a Console which has been transported, handled, stored, used repaired or altered other than in accordance with IceCure's written instructions, nor shall it apply to a Console which has been subject to misuse, unauthorized use, negligence, accident, (including fire, water, explosion, smoke, vandalism, etc.) or which has been operated contrary to IceCure's written instructions, and IceCure's indemnification obligation under Article 11.2 shall not apply with respect to such Console. Without derogating from the above, Console Warranty will be void, if at any time: (i) anyone other than personnel authorized by IceCure unpacks a Console and/or attempts to open or remove the Console's packaging, and/or makes any unauthorized amendments, internal changes, removals, attachments or additions to the Console or components thereof (except for amendments, internal changes, removals, attachments, or additions to the Console or components thereof made by Terumo's Authorized Personnel for providing technical service to its customers as contemplated in Section 6.7); or (ii) anyone installs unauthorized hardware or software in the Product. Terumo, its Affiliates and the Sub- Distributors will not offer their customers any warranty that differ from the terms set forth in this Article 10.2. ;

(e) the Product shall, at the time of Delivery to Terumo hereunder, new and not used. For clarification, the Consoles shall be provided to Terumo, at the time of Delivery, within six (6) months from the production thereof, and the Probe shall have remaining shelf life of at least four point five (4.5) years at the time of Delivery.

(f) the Product shall be manufactured and tested in accordance with Applicable Laws, including GMP; and

(g) the Product shall not be adulterated or misbranded within the meaning of the United States Food, Drug and Cosmetic Act, 21 U.S.C. Section 301c et. seq. or other Applicable Laws.

10.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, VALIDITY AND ENFORCEABILITY OF PATENTS, OR THE PROSPECTS OR LIKELIHOOD OF DEVELOPMENT OR COMMERCIAL SUCCESS OF THE PRODUCT.

10.4 Remedy for breach of Product Warranty. In case of breach of warranty set forth in Section 10.2 (d), (e), (f), Terumo shall be entitled to, and IceCure shall provide to Terumo, a remedy equivalent to the Remedy for Defect by following the process as set forth in Section 6.3 (k), without prejudice to any other rights and remedies under this Agreement and/or Applicable Laws.

10.5 Limitation of Liability. NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ITS PERFORMANCE OR BREACH OF THIS AGREEMENT); *provided, however,* that this Section 10.5 shall not be construed to limit (a) either Party's right to indirect, special, incidental or consequential damages for the other Party's breach of Articles 8 and/or 9, fraud, intentional misrepresentation, willful misconduct, or breach of another party's Intellectual Property Rights; and (b) either Party's indemnification rights or obligations under Article 11.

10.6 Liability Cap. WITHOUT DEROGATING FROM ARTICLE 10.5, EACH PARTY'S TOTAL LIABILITY ARISING UNDER THIS AGREEMENT SHALL BE LIMITED TO THE GREATER OF (A) THE AMOUNT PAID AND PAYABLE BY TERUMO TO ICECURE HEREUNDER IN THE TWELVE (12) MONTHS PERIOD PRECEDING THE DATE OF THE CLAIM UNDER THIS AGREEMENT; OR (B) TEN (10) MILLION U.S. DOLLARS; provided, however, that this Section 10.6 will not be applicable in case such liability arise out of either for the other Party's breach of Articles 8 and/or 9, fraud, intentional misrepresentation, willful misconduct, or IceCure's indemnification obligation with respect to Tax Liability. For the avoidance of doubt, this Section 10.6 will be applied to either Party's indemnification obligations under Article 11.

ARTICLE 11
INDEMNIFICATION

11.1 Indemnification of IceCure. Subject to the terms and provisions in this Agreement including Articles 10.3, 10,5 and 10.6 above, Terumo shall indemnify, defend and hold harmless IceCure and its Affiliates and their respective directors, officers and employees (the "***IceCure Indemnitees***"), from and against any and all losses, liabilities, damages, penalties, fines, costs and expenses (including reasonable attorneys' fees and other expenses of litigation) ("***Losses***") incurred by any IceCure Indemnitee resulting from any claims, actions, suits or proceedings brought by a Third Party ("***Third Party Claims***") to the extent arising from, or occurring as a result of : (a) regulatory activities conducted by Terumo in the Territory to obtain Regulatory Approval of the Product, or any misuse or mishandling of the Products by Terumo or its Affiliates; (b) the negligence or willful misconduct of any Terumo Indemnitees in connection with Terumo's and or any of its Sub-Distributors' performance of its obligations or exercise of its rights under this Agreement; or (c) any breach of any representations, warranties or covenants of Terumo in this Agreement by Terumo and or any of its and or its Sub-Distributors, except to the extent such Third Party Claims fall within the scope of the indemnification obligations of IceCure set forth in Section 11.2. In any Third Party Claim where both IceCure and Terumo are both at fault, Losses shall be apportioned between the Parties on the basis of the relative fault of each Party relative to the total Losses.

11.2 Indemnification of Terumo. Subject to the terms and provisions in this Agreement including Articles 10.3, 10.5 and 10.6 above, IceCure shall indemnify, defend and hold harmless Terumo and its Affiliates and their respective directors, officers, employees and agents (the "***Terumo Indemnitees***"), from and against any and all Losses incurred by any Terumo Indemnitee resulting from any Third Party Claims to the extent arising from, or occurring as a result of: (a) the negligence or willful misconduct of any IceCure Indemnitees in connection with IceCure's performance of its obligations or exercise of its rights under this Agreement; (b) any claims or actions alleging that any Product is defective when used in accordance with applicable Specifications and labeling; (c) any claims or actions alleging that the Product or development or commercialization thereof infringes or would infringe the Intellectual Property Right(s) of any Third Party in the Territory and/or the Limited Territory; (d) any claims or actions alleging death, injury or damages to property caused by a defect of Product; or (e) any breach of any representations, warranties or covenants of IceCure in this Agreement, except to the extent such Third Party Claims fall within the scope of the indemnification obligations of Terumo set forth in Section 11.1. In any Third Party Claim where both IceCure and Terumo are both at fault, Losses shall be apportioned between the Parties on the basis of the relative fault of each Party relative to the total Losses.

11.3 Procedure. A Party that intends to claim indemnification under this Article 11 (the "***Indemnitee***") shall promptly notify the indemnifying Party (the "***Indemnitor***") in writing of any Third Party Claim, in respect of which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have sole control of the

defense and/or settlement thereof. The Indemnitee may participate at its expense in the Indemnitor's defense of and settlement negotiations for any Third Party Claim with counsel of the Indemnitee's own selection. The indemnity arrangement in this Article 11 shall not apply to amounts paid in settlement of any action with respect to a Third Party Claim, if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any action with respect to a Third Party Claim shall only relieve the Indemnitor of its indemnification obligations under this Article 11 if and to the extent the Indemnitor is actually prejudiced thereby. The Indemnitee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action with respect to a Third Party Claim covered by this indemnification.

11.4 Insurance. Each Party, at its own expense, shall maintain product liability and other appropriate insurance (or self-insure) in an amount consistent with industry standards (used by similarly positioned (in scope and value) medical device companies) for conduct of all activities under this Agreement during the Term and shall name the other Party as an additional insured with respect to such insurance. Each Party shall provide a certificate of insurance (or evidence of self-insurance) evidencing such coverage to the other Party upon request.

ARTICLE 12
TERM AND TERMINATION

12.1 Term. This Agreement shall commence on the Effective Date and shall remain in effect for the Term.

12.2 Early Termination.

(a) Mutual Agreement. The Parties may terminate this Agreement by mutual written agreement.

(b) Material Breach. A Party shall have the right to terminate this Agreement upon written notice to the other Party ("***Breaching Party***") if such Breaching Party is in breach of a material provision of this Agreement and has not cured such breach within sixty (60) days after delivery of notice from the terminating Party ("***Date of Notice***"); *provided, however*, that, if such alleged material breach is not reasonably susceptible of cure within such sixty (60) day period and the Breaching Party uses reasonable and diligent good faith efforts to cure such alleged material breach, such sixty (60) day period shall be extended as long as is reasonably necessary (but no more than six (6) months from the Date of Notice) and no such termination shall occur for so long as such efforts continue or if such breach is cured (but in each case for no longer than six (6) months from the Date of Notice); *provided, further*, in the event of a good faith disputed with respect to the existence of such breach, the sixty (60) day cure period shall be tolled until such time as the dispute is resolved pursuant to Article 13.

(c) Insolvency. A Party shall have the right to terminate this Agreement upon written notice to the other Party upon the bankruptcy, dissolution or winding up of such other Party, or the making or seeking to make or arrange an assignment for the benefit of creditors of such other Party, or the initiation of proceedings in voluntary or involuntary bankruptcy, or the appointment of a receiver or trustee of such other Party's property, that is not discharged within ninety (90) days.

(d) Both Parties' Termination.

(i) Either Party shall have the right to terminate this Agreement if, (in case Terumo terminates, having used Commercially Reasonable Efforts,) Terumo is unable to obtain Shonin of the Product in the Territory within (a) eighteen (18) months after the Regulatory Submission of the Product for the Target Indication, or (b) forty-eight (48) months from the Effective Date, whichever comes earlier. Either Party may terminate this Agreement pursuant to this subsection if the Party notifies the other Party of such termination within hundred and twenty (120) days after the completion of each applicable period.

(ii) Either Party may also terminate this Agreement if, (in case Terumo terminates, having used Commercially Reasonable Efforts,) Terumo is unable to obtain Reimbursement Approval of the Product in the Territory within twenty four (24) months after obtaining Shonin of the Product in the Territory for the Target Indication. Either Party may terminate this Agreement pursuant to this subsection if the Party notifies the other Party of such termination within hundred and twenty (120) days after the completion of each applicable period.

(iii) During: (x) the Initial Term, IceCure may terminate this Agreement for convenience, without incurring liability to Terumo (except payment of the hereafter defined Termination Fee), by providing written notice to Terumo at least thirty six (36) months prior to the intended date of termination, and (y) a Renewal Term, either Party may terminate this Agreement for convenience, without incurring liability to the other Party, with providing written notice to the other Party at least eighteen (18) months prior to the intended date of termination.

(e) Terumo shall have the right to terminate this Agreement upon written notice to IceCure if the board of directors of IceCure votes to, and actually does, discontinue IceCure's business relating to the Product.

(f) If Terumo fails to purchase at least (i) 60 % for Consoles; and (ii) 60 % for Probes respectively, of the Minimum Purchase Amount (as defined in Exhibit 6.4) for each period set forth in this Exhibit 6.4 (A), IceCure shall have the right to terminate this Agreement, without incurring liability to Terumo, if IceCure notifies Terumo of such termination within hundred and twenty (120) days after applicable MPA Year (as defined in Exhibit 6.4) and at least [30] days prior to the intended date of termination. For avoidance of doubt, such failure will not be construed to be a breach of the Distribution Agreement.

(g) If IceCure does not bring action or proceeding with respect to the Infringement By Third Party concerning the Target Indication within a reasonable time frame pursuant to Section 9.3 (b), Terumo shall have the right to terminate this Agreement without incurring liability to Terumo or IceCure, with providing written notice to Terumo at least hundred and twenty (120) days prior to the intended date of termination.

12.3 Rights on Termination. The following shall apply upon any termination of this Agreement:

(a) Refund of Upfront Payments. In the event of Terumo's termination of this Agreement pursuant to Sections 12.2(b), (c), (e), or 12.2 (g), without prejudice to the other remedies available under Applicable Law or this Agreement, IceCure shall reimburse (if actually paid previously) Terumo the remaining value of Upfront Payments, depreciated proportionately over five (5) years from the date of receipt of Shonin of the Product (as to Fourth Upfront Payment, over five (5) years from the date of receipt of Reimbursement Approval) using straight line method. For clarity, (i) Terumo will in no event be precluded from remedies available under Applicable Laws or this Agreement, (ii) Terumo will not be entitled to be reimbursed the remaining value of Upfront Payments, in the event of termination of this Agreement for any reason other than pursuant to Sections 12.2(b), (c), (e), or 12.2 (g). For the avoidance of doubt, below are some examples of the amounts to be reimbursed, if any, by IceCure to Terumo under this Article 12.3(a):

12.2b,c,e,g	Refund after 1 month from payment of the Third Upfront Payment	$\frac{(60-1)X\$1,500,000}{60}$	=	$ 1,475,000
12.2b,c,e,g	Refund after 30 months from payment of the Fourth Upfront Payment (after 48 months from payment of the Third Upfront Payment)	$\frac{((60-48)X\$1,500,000)+(60-30)X\$500,000)}{60}$	=	$ 550,000
12.2b,c,e,g	Refund after 60 months from payment of the Fourth Upfront Payment	$\frac{(60-60)X\$2,000,000}{60}$	=	$ 0

(b) Termination Fee. In the event IceCure provides termination notice of this Agreement pursuant to Section 12.2(d)(iii)(x) (termination for convenience during Initial Term), IceCure shall pay to Terumo the following amount (***"Termination Fee"***): (x) Minimum Purchase Amount for each of the Consoles and the Probes during the period from the Intended Termination Date (as hereafter defined) to the end of Initial Term (period less than a year will be calculated on pro-rata basis), multiplied by (y) Deemed Lost Profit. In this section, ***"Deemed Lost Profit"*** means (i) [**] per one set of Console; and (ii) [**] per one piece of Probe. For the avoidance of doubt, by way of example only, if the Intended Termination Date is 3.5 years after the date of the Shonin of the Products in Japan, Termination Fee will be US$9,155,750 [**]. Upon the Intended Termination Date, IceCure shall pay the Termination Fee to Terumo in immediately available funds to an account designated in writing by Terumo. The termination of this Agreement pursuant to Section 12.2(d)(iii)(x) shall be effective upon later of (i) intended termination date following the notice provided by IceCure to Terumo pursuant to Section 12.2(d)(iii)(x) (***"Intended Termination Date"***); or (ii) completion of the payment of Termination Fee. Further, if IceCure shall notify Terumo its intention to terminate this Agreement pursuant to Section 12.2(d)(iii)(x) before Terumo obtains the Shonin of the Products in Japan, the Termination Fee shall be calculated assuming that the Shonin of the Product was obtained by Terumo upon the Intended Termination Date (***"Assumed Shonin Date"***), and also assuming that the end of the Initial Term would be five (5) years after the Assumed Shonin Date.

(c) Continued Rights; Inventory. Subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, in the event this Agreement is terminated by Terumo pursuant to Section 12.2(c), or Section 12.2(e), Terumo shall have the right to elect to continue its sale of the Product in the Territory. In the event of such election, (i) Terumo shall retain its exclusive rights under this Agreement to do so; (ii) Terumo shall not be subject to any obligation set forth in Sections 12.3(d), (e) and (f); and (iii) at Terumo's option, IceCure shall cooperate with Terumo and/or its designee to effect a smooth and orderly transition of the manufacture and supply of the Product for the Territory so that Terumo's supply of Product for the Territory is not disrupted and to ensure continued transfer of data and information necessary of useful to maintain all required Regulatory Approvals in the Territory, including by providing any assistance necessary or useful in connection with submission of Regulatory Filings required to transfer responsibility for supply of the Product to Terumo, including any changes to the *Gaikoku-seizou-gyosha* (foreign legal manufacturer), and the transfer of supply arrangements between IceCure and its Third Party manufactures to Terumo, including assignment of any and all agreements between IceCure and its Third Party manufactures involved in the supply of Products under this Agreement. Except to the extent Terumo elects to maintain its distribution rights as set forth in this Section 12.3(c), above, in the event of any other termination of this Agreement, Terumo shall continue, to the extent of selling Product inventory already ordered in accordance with Articles 6 and 7 of the Agreement (*"**Remaining Inventory**"*), as of the time of termination, to distribute Product in the Territory and the Limited Territory. For the avoidance of doubt, IceCure and/or its designee may elect to repurchase the inventory at the price such inventory originally sold to Terumo.

(d) Termination of Rights and Obligations. Upon termination of this Agreement, all rights and obligations of the Parties under this Agreement will terminate, except as otherwise set forth in this Section 12.3 and Sections 12.4, 12.5, and 12.6. Within thirty (30) days after the effective date of termination of this Agreement, each Party shall deliver to the other Party any and all Confidential Information of such other Party then in its possession, except to the extent a Party retains the right to use such Confidential Information pursuant to any rights granted under this Agreement that survive termination of this Agreement, and except for one (1) copy which may be kept in such Party's (or its counsel's) office for archival purposes subject to a continuing obligation of confidentiality and non-use under Article 8 for the duration set forth in Section 8.1.

(e) Assignment of Regulatory Filings and Regulatory Approvals. At IceCure's option, which shall be exercised by written notice to Terumo, to the extent permitted under Applicable Laws and subject to the terms of this Agreement (including as otherwise set forth in this Article 12), Terumo shall assign or cause to be assigned to IceCure or its designee (or to the extent not so assignable, Terumo shall take all reasonable actions to make available to IceCure or its designee the benefits of), in consideration of the compensation which amount to be mutually agreed in good faith and in writing between the Parties, all Regulatory Filings for the Product in the Territory.

(f) Transition. Subject to the terms of this Agreement (including as otherwise set forth in this Article 12) and subject to IceCure's payment of the consideration provided in Section 12.3(d) above, Terumo shall use Commercially Reasonable Efforts to cooperate with IceCure and/or its designee to effect a smooth and orderly transition in the registration, sale, marketing, promotion, and commercialization of the Product in the Territory and the Limited Territory during the applicable notice period under Section 12.2 and following the effective date of termination. Without limiting the foregoing, Terumo shall use Commercially Reasonable Efforts to conduct, in an expeditious manner, any activities to be conducted under this Section 12.3.

12.4 Exercise of Right to Terminate. The use by either Party of a termination right set forth in this Agreement shall not give rise, on its own, to the payment of damages or any other form of compensation or relief to the other Party with respect thereto.

12.5 Damages; Relief. Subject to Sections 10.3, 10.5, 10.6, 12.3(a) and 12.4, termination of this Agreement shall not preclude either Party from claiming any other damages, compensation, or relief that it may be entitled to upon such termination.

12.6 Accrued Obligations; Survival. The expiration or termination of this Agreement for any reason shall not release either Party from any liability that, at the time of such expiration or termination, has already accrued to such Party or that is attributable to a period prior to such termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement. The following Articles and Sections will survive any expiration or termination of this Agreement: Sections 5.8, 10.2 (d) and (e), 10.3, 10.4, 10.5, 10.6, 12.3, 12.4, 12.5, and 12.6 and Articles 7, 8, 9, 11, 13, and 14.

ARTICLE 13
DISPUTE RESOLUTION

13.1 Objective. The Parties recognize that disputes as to matters arising under or relating to this Agreement or either Party's rights or obligations hereunder (including any claim based on warranty, contract, negligence, misrepresentation, statute, or other basis) may arise from time to time. It is the objective of the Parties to establish procedures to facilitate the resolution of such disputes in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 13 to resolve any such dispute if and when it arises.

13.2 Resolution by Executives. Except as otherwise set forth in Article 4, if an unresolved dispute as to matters arising under or relating to this Agreement or either Party's rights or obligations hereunder arises, either Party may refer such dispute to the respective chief of business unit including distribution of the Product under this

Agreement ("***Executive***"), who shall meet in person or by telephone within thirty (30) days after such referral to attempt in good faith to resolve such dispute. If such matter cannot be resolved by discussion of such officers within such thirty (30)-day period (as may be extended by mutual written agreement), such dispute shall be resolved in accordance with Section 13.3. The Parties acknowledge that discussions between the Parties to resolve disputes are settlement discussions under applicable rules of evidence and without prejudice to either Party's legal position.

13.3 Arbitration.

(a) Any dispute that is not resolved pursuant to Section 13.2, except for a dispute, claim or controversy subject to Section 13.3(j), shall first be submitted for mediation under the auspices of the International Centre for Dispute Resolution ("***ICDR***"). Any dispute that is not resolved pursuant to such mediation shall be settled by binding arbitration conducted under the auspices of the ICDR in accordance with its International Arbitration Rules. In the event of a conflict between the procedures set forth herein and the Rules, these procedures shall take precedence.

(b) The dispute shall be heard and decided by a single arbitrator having significant executive experience in the medical device industry.

(c) The arbitrator shall allow the Parties to obtain discovery as may reasonably be requested by a party, including use of interrogatories, document requests, depositions, subpoenas and inspections of things or land.

(d) The arbitration hearing shall be held in New York City, New York, U.S., at a location and time to be mutually agreed upon by the Parties, or if they are unable to decide, then at a location and time determined by the arbitrator(s). The arbitration hearing shall be conducted over the course of consecutive business days and weeks until it is concluded.

(e) All proceedings shall be conducted in the English language and the arbitrator shall be fluent in English. All evidence, whether documentary or testimonial, shall be presented in English. In the event testimony is given by a witness who is unable to testify in English, the party proffering the testimony at the hearing (or obtaining the testimony in a deposition) shall provide a translator and shall bear that expense.

(f) The hearing shall be recorded stenographically and a transcript prepared if requested by either Party. The expense of same shall be borne equally by the Parties. Not less than ten (10) days prior to the hearing, the Parties shall submit briefs to the arbitrator(s) setting forth each Party's contentions concerning the facts and the law. Within thirty (30) days following the close of the hearing, the Parties shall submit post-hearing briefs to the arbitrator. Within thirty (30) days after the timely submission of post-hearing briefs, the arbitrator shall enter a written award concisely setting forth the grounds for the decision.

(g) The arbitrator(s) shall decide the dispute by applying the law selected by the Parties in Section 14.1.

(h) The decision of the arbitrator shall be final and binding and any award rendered thereon may be entered in any court having jurisdiction.

(i) During the pendency of any dispute resolution proceeding between the parties under this Section 13.3, the obligation to make any payment under this Agreement from one party to the other Party, which payment is the subject, in whole or in part, of a proceeding under this Section 13.3, shall be tolled until the final outcome of such dispute has been established. Any payments that are made by one Party to the other Party pursuant to this Agreement pending resolution of the dispute will be promptly refunded if the arbitrator determines pursuant to this Section 13.3 that such payments are to be refunded by one Party to the other Party.

(j) Any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any patents or trademarks shall be submitted to a court of competent jurisdiction in the country in which such patent or trademark rights were granted or arose.

ARTICLE 14
GENERAL PROVISIONS

14.1 Governing Law. This Agreement and all questions regarding its existence, validity, interpretation, breach or performance and any dispute or claim arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, United States, without reference to its conflicts of law principles to the extent those principles would require applying another jurisdiction's laws. The United Nations Conventions on Contracts for the International Sale of Goods shall not be applicable to this Agreement.

14.2 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (other than failure to make payment when due) when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, fire, floods, or other acts of God, or acts, omissions or delays in acting by any governmental authority or the other Party. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practicable, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and *provided* that the Party has not caused such event(s) to occur. In the event any such force majeure circumstances continue for more than ninety (90) days, such other Party shall have the right to terminate this Agreement pursuant to Section 12.2(b).

14.3 Assignment. Except as expressly set forth in this Section 14.3, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld; *provided, however*, that either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent:

(a) in connection with the transfer or sale of all or substantially all of the business of the assigning Party relating to the Product to a Third Party, with all Patents and Know-How necessary to commercialize the Product as contemplated under this Agreement, whether by merger, sale of stock, sale or contribution of assets or otherwise; or

(b) to an Affiliate; *provided* that, unless otherwise agreed differently by the Parties, the assigning Party shall remain liable and responsible to the non-assigning Party for the performance and observance of all such duties and obligations by such Affiliate.

This Agreement shall be binding upon successors and permitted assigns of the Parties. Any assignment not in accordance with this Section 14.3 will be null and void.

14.4 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

14.5 Notices. All notices required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile or email (and promptly confirmed by personal delivery, registered or certified mail or overnight courier or confirmatory email by recipient), sent by internationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to IceCure, addressed to:

Haeshel 7, Caesarea, 3079504, Israel
Attention: Eyal Shamir - CEO
Email: eyals@icecure-medical.com

If to Terumo, addressed to:

Terumo Corporation
3-20-2, Nishi-Shinjuku, Shinjuku-ku,
Tokyo, 163-1450, Japan
Attention: Tsuyoshi Tomita – Group Manager
Email: Tsuyoshi_Tomita@terumo.co.jp

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by email on a Business Day; (b) on the Business Day after dispatch if sent by internationally recognized overnight courier; and (c) on the third Business Day following the date of mailing if sent by mail.

14.6 Entire Agreement; Amendments. This Agreement, together with the exhibits hereto and thereto, contains the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersedes and cancels all previous express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof and thereof, including the Confidentiality Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties, but "written instrument" does not include the text of e-mails or similar electronic transmissions.

14.7 Headings. The captions to the several Articles and Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Sections hereof.

14.8 Independent Contractors. It is expressly agreed that IceCure and Terumo shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither IceCure nor Terumo shall have the authority to make any statements, representations or commitments of any kind or to take any action that shall be binding on the other Party, without the prior written consent of the other Party.

14.9 Waiver. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

14.10 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

14.11 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

14.12 Interpretation. All references in this Agreement to an Article or Section shall refer to an Article or Section in or to this Agreement, unless otherwise stated. Any reference to any federal, national, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" and similar words means including without limitation. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. All references to days, months, quarters or years are references to calendar days, calendar months, calendar quarters, or calendar years, unless stated otherwise. References to the singular include the plural.

14.13 No Third Party Beneficiaries. This Agreement is neither expressly nor impliedly made for the benefit of any Party other than IceCure and Terumo, except as otherwise set forth in this Agreement with respect to IceCure Indemnitees under Section 11.1 and Terumo Indemnitees under Section 11.2. This Agreement may be terminated, varied or amended in accordance with its terms or with the agreement of Terumo and IceCure without the consent of the IceCure Indemnitees or Terumo Indemnitees.

14.14 English Language. This Agreement is in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given under this Agreement, and all written, electronic, oral or other communications between the Parties, including any information provided by a Third Party regarding this Agreement, shall be in the English language.

14.15 Counterparts. This Agreement may be executed by any party by PDF file signature, and on one or more counterparts, and by different parties on separate counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

In Witness Whereof, the Parties have executed this Distribution Agreement as of the Effective Date.

IceCure Medical Ltd.

By: /s/ Eyal Shamir

Name: Eyal Shamir

Title: CEO

By: /s/ Ron Mayron

Name: Ron Mayron

Title: Chairman of the Board of Directors

Terumo Corporation

By: /s/ Tsuyoshi Tomita

Name: Tsuyoshi Tomita

Title: Group Manager, General Hospital Products Group, Hospital Systems Division, General Hospital Company

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Exhibit 1.37

PRODUCT SPECIFICATION

The Parties will mutually discuss and determine the criteria and standards of testing contemplated in Section 6.3(i) and 6.3 (j) before obtaining Shonin of the Products in Japan.

SYSTEM SPECIFICATIONS

Physical properties	Dimensions (excluding the screen) Weight	[**]
Electrical requirements		[**]
Operating pressure	Pressure range	[**]
Cryogen	Liquid Nitrogen	[**]
Environmental conditions Temperatures:	Operating	[**]
	Transportation and Storage	[**]
Relative Humidity:	Operating	[**]
	Transportation and Storage	[**]
Atmospheric pressure:	Operating	[**]
	Transportation and Storage	[**]
		[**][**]

Cryoprobe technical specifications

The packed cryoprobes shall be stored in a dry, cool, well-ventilated and clean environment without corrosive gas.

In general, IceCure's Cryoprobes are available in various diameters (2.4mm to 3.4mm), various ice ball shapes, various tips) and various lengths according to the expected application, treated tumor size and surgery approach.

Range temperature: -196° C to +40° C
Needle diameter: 2.4mm (13G) or 3.4mm (10G)
Certain configurations are not available in some regions.

MANUFACTURER'S DECLARATION OF THE EUT AS WRITTEN IN OUR USER MANUAL

Guidance and manufacturer's declaration-electromagnetic emission- for all EQUIPMENT AND SYSTEMS

1	Guidance and manufacturer's declaration-electromagnetic emission		
2	The model ProSense™ Cryotherapy product is intended for use in the electromagnetic environment specified below. The customer or the user of the model ProSense™ Cryotherapy product should ensure that it is used in such an environment.		
3	Emissions test	Compliance	Electromagnetic environment - guidance
4	RF emissions CISPR 11	Group 1	[**]
5	RF emissions CISPR 11	Class B	
6	Harmonic emissions EN 61000-3-2	Class A	
7	Voltage fluctuations / flicker emissions EN 61000-3-3	Complies	

Guidance and manufacturer's declaration-electromagnetic immunity- for EQUIPMENT and SYSTEM that are not LIFE-SUPPORTING

Guidance and manufacturer's declaration-electromagnetic immunity			
The model ProSense™ Cryotherapy product is intended for use in the electromagnetic environment specified below. The customer or the user of the model ProSense™ Cryotherapy product should ensure that it is used in such an environment.			
Immunity test	**IEC 60601 test level**	**Compliance level**	**Electromagnetic environment- guidance**
[**]	[**]	[**]	[**] $d = [\frac{3,5}{V_1}]\sqrt{P}$ $d = [\frac{3,5}{E_1}]\sqrt{P}$ 80 MHz to 800 MHz $d = [\frac{7}{E_1}]\sqrt{P}$ 800 MHz to 2,5 GHz [**]
NOTE 1 [**]. NOTE 2 These guidelines may not apply in all situations. Electromagnetic is affected by absorption and reflection from structures, objects and people.			
a Field strengths from fixed transmitters, such as base stations for radio (cellular/cordless) telephones and land mobile radios, amateur radio, AM and FM radio broadcast and TV broadcast cannot be predicted theoretically with accuracy. To assess the electromagnetic environment due to fixed RF transmitters, an electromagnetic site survey should be considered. If the measured field strength in the location in which the model ProSense™ Cryotherapy product is used exceeds the applicable RF compliance level above, The model ProSense™ Cryotherapy product should be observed to verify normal operation. If abnormal performance is observed, additional measures may be necessary, such as reorienting or relocating the model ProSense™ Cryotherapy product. *b* Over the frequency range 150 kHz to 80 MHz, field strengths should be less than 3V/m.			

Recommended separation distances between portable and mobile RF communications equipment and the EQUIPMENT or SYSTEM- for EQUIPMENT and SYSTEMS that are not LIFE-SUPPORTING

Recommended separation distances between portable and mobile RF communications equipment and the model ProSense™ Cryotherapy product			
The model ProSense™ Cryotherapy product is intended for use in an electromagnetic environment in which radiated RF disturbances are controlled. The customer or the user of the model ProSense™ Cryotherapy product can help prevent electromagnetic interference by maintaining a minimum distance between portable and mobile RF communications equipment (transmitters) and the model ProSense™ Cryotherapy product as recommended below, according to the maximum output power of the communications equipment.			
Rated maximum output of transmitter W	Separation distance according to frequency of transmitter m		
	$d = [\frac{3,5}{V_1}]\sqrt{P}$ [**]	$d = [\frac{3,5}{E_1}]\sqrt{P}$ [**]	$d = [\frac{7}{E_1}]\sqrt{P}$ [**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
For transmitters rated at a maximum output power not listed above the recommended separation distance d in meters (m) can be estimated using the equation applicable to the frequency of the transmitter, where P is the maximum output power rating of the transmitter in watts (W) according to the transmitter manufacturer. NOTE 1 At 80 MHz and 800 MHz, the separation distance for the higher frequency range applies. NOTE 2 These guidelines may not apply in all situations. Electromagnetic propagation is affected by absorption and reflection from structures, objects and people.			

Exhibit 6.3

PRODUCT PRICE

1. Prices for Initial Order for the use in clinical trials to obtain Regulatory Approval

[**].

IceCure shall be entitled to issue invoice of the Initial Order,[**] of the Initial Order shall be issued upon Delivery of all of the Products for the Initial Order.

2. Prices of the Products other than for Initial Order and Payment Term

(A) Prices of a Console and Payment Term

a) For the [**] (the price is per console is regarding the existing Product as of the Effective Date; with respect to Console that includes improvements and/or next generation thereof the price will be mutually agreed by the Parties.

b) For the Consoles subsequent to said [**] of Consoles: To be mutually discussed and agreed by the Parties, provided that if the Parties do not reach agreement within thirty (30) days from the commencement of such discussion, [**] will be the price of a Console subsequent to said [**] of Consoles.

IceCure shall be entitled to issue invoice of an order, for fifty (50%) percent of the Product Price of the Consoles on the date of the Purchase Order, and the invoice for remaining 50% of the Product Price of the Consoles shall be issued upon Delivery of the applicable Purchase Order.

(B) Prices of a Probe

a) For the first [**] pcs of Probes: [**]/pcs

b) For the Probes subsequent to said [**] pcs of Probes: To be mutually discussed and agreed by the Parties, provided that if the Parties do not reach agreement within thirty (30) days from the commencement of such discussion, [**] will be the price of a Probe subsequent to said [**] of Probes.

IceCure shall be entitled to issue invoice of an order for the Probes upon Delivery of the Probes.

If Yen to USD rate as of the end of each Calendar Half Year (a period of six (6) consecutive months during a Calendar Year beginning on and including January 1^{t} and July 1st) has increased or decreased by more than ten percent (10%) compared to the rate on the Effective Date, all of the aforementioned prices will be adjusted (upward or downward) by the below formulae starting from the next Calendar Half Year (for avoidance of doubt, including the Calendar Half Year during which first Reimbursement Price was obtained) so that the change to Product Price on Yen basis exceeding ten percent (10%) is halved (USD rounded off to the second decimal place).

Acronyms:

- OP (Original Price): price provided on Exhibit 6.3 in USD
- BCR (Baseline Currency Rate) : the USD to JPY rate on the Effective Date
- ACR (Adjustment Currency Rate) : the USD to JPY rate on the last day of each Calendar Half Year

In case ACR is greater than 110% of BCR,

$$\text{Adjusted Amount} = OP\times\left(1 - \frac{(ACR - BCR\times 1.1)}{BCR}\times 0.5\right)$$

In case ACR is smaller than 90% of BCR,

$$\text{Adjusted Amount} = OP\times\left(1 + \frac{(BCR\times 0.9 - ACR)}{BCR}\times 0.5\right)$$

The results of these formulae shall be rounded off to two decimal places.

As an example, if BCR is 115 and ACR on Dec 31, 2020 is 135, the Product Price for a Probe will be adjusted from Jan 1, 2021 onwards to the following price.

$$[**]\times\left(1 - \frac{(135 - 115\times 1.1)}{115}\times 0.5\right) = [**]\times(1 - (135-126.5)/115\times 0.5) = [**]$$

As another example, if BCR is 115 and ACR on Dec 31, 2020 is 90, the Product Price for a Probe will be adjusted from Jan 1, 2021 onwards to the following price.

$$[**]\times\left(1 + \frac{(115\times 0.9 - 90)}{115}\times 0.5\right) = 815\times(1 + (103.5-90)/115\times 0.5) = [**]$$

Exhibit 6.4

Minimum Purchase Amounts

(A) From the period during the Term commencing upon receipt of the first Shonin for the Product (*"**MPA Commencement Date**"*), subject to this Exhibit 6.4(C) and (D), below, Terumo shall purchase from IceCure at least the following amounts during the respective period set forth in this Exhibit 6.4(A) below (***"Minimum Purchase Amount"*** or ***"MPA"***):

Initial Term: As shown below.

	MPA 1st Year	MPA 2nd Year	MPA 3rd Year	MPA 4th Year	MPA 5th Year
Console	[**]	[**]	[**]	[**]	[**]
Probe	[**]	[**]	[**]	[**]	[**]

For avoidance of doubt, MPA 1st Year commences from MPA Commencement Date and ends 12 months after MPA Commencement Date. MPA 2nd, 3rd, 4th, and 5th Year shall be construed accordingly.

Renewal Term: To be mutually discussed in good faith and agreed by the Parties during the Initial Term.

(B) Any amounts of Product that Terumo is not able to purchase from IceCure due to the following (i) through (iii), below, shall be deducted from the applicable amounts set forth in this Exhibit 6.4(A) above:

(i) Force Majeure Event;

(ii) IceCure's failure to supply the Product to Terumo in a timely fashion pursuant to the Forecast; or

(C) If Terumo fails to purchase (i) 100 % for Consoles; and (ii) 100% for Probes respectively, of the Minimum Purchase Amount for each period set forth in this Exhibit 6.4 (A) (***"Failure of Full MPA"***), Terumo will lose its exclusive right to distribute the Products, and such Terumo's distribution right will be non-exclusive upon the receipt of written notice of IceCure, without incurring liability to Terumo if IceCure notifies Terumo of such termination of exclusivity within hundred and twenty (120) days after applicable MPA Year and at least [30] days prior to the intended date of termination of exclusivity. The Failure of Full MPA shall not be material breach of this Agreement, and the termination of the exclusivity under this provision shall be the sole and exclusive remedy of IceCure for the Failure of Full MPA.

(D) In case MPA Exemption is applicable pursuant to Section 9.3(b), Terumo will not be required to purchase such Minimum Purchase Amount so long as IceCure doesn't bring and control any action or proceedings contemplated in Section 9.3 (b), pursuant to same Section.

Exhibit 9.6

PRODUCT TRADEMARKS

Product Trademark includes the following Trademarks in existence as of the Effective Date.

ProSense

IceCure

IceCure logo

Certain confidential information contained in this document, marked by brackets and asterisk, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because it (i) is not material and (ii) would be competitively harmful if publicly disclosed

DISTRIBUTION AGREEMENT

This **Distribution Agreement** ("***Agreement***") is entered into as of December 31, 2020 (the "***Effective Date***") by and between **IceCure Medical Ltd.**, a corporation having its principal office at Haeshel 7, Caesarea, 3079504, Israel ("***IceCure***") and **TERUMO (THAILAND) COMPANY LIMITED,** a company incorporated in Thailand with registered company number 0105537065397 and having its registered office at No.88 The PARQ Building, Unit 8W9-16, 8th Floor, Ratchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110, Thailand ("***Terumo***" or "***Terumo Thailand***"). IceCure and Terumo may be referred to individually as a "***Party***" and collectively as the "***Parties***".

RECITALS

Whereas, IceCure has developed and is intending to commercialize and promote its Product (as defined below) in various countries;

Whereas, IceCure wishes to commercialize the Product in certain countries through a distributor that will register, promote, market, sell and distribute the Product within the Territory (as defined below) ;

Whereas, Terumo has the ability to register, promote, market, sell and distribute such Product within the Territory and wishes to be IceCure's exclusive distributor of the Product within the Territory, and IceCure is willing to appoint Terumo as the exclusive distributor of the Product in the Territory, on the terms and conditions set forth in this Agreement; and

Whereas, IceCure agrees to manufacture (or have manufactured) and sell to Terumo the Product for such commercialization and promotion activities in the Territory, on the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IceCure and Terumo hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 "***Affiliate***" of a Party means any entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party, as the case may be, but for only so long as such control exists. As used in this Section 1.1, "control" means (a) to possess, directly or indirectly, the power to direct the management or policies of an entity, whether through ownership of voting securities, or by contract relating to voting rights; or (b) direct or indirect beneficial ownership of more than fifty percent (50%) of the voting share capital or other equity interest in such entity.

1.2 "***Alliance Manager***" has the meaning set forth in Section 4.2.

1.3 "***Applicable Laws***" means the applicable provisions of any law or regulation from Thailand, and Israel including: national, regional, state and local laws, treaties, statutes, rules, regulations, administrative codes, industry codes, guidance, ordinances, judgments, decrees, directives, injunctions, orders or permits (including Regulatory Approvals) of or from any court, arbitrator, Regulatory Authority or governmental agency or authority having jurisdiction over or related to the subject item, including GMP, FCPA, trade, promotion, privacy, Export Control Laws and other laws and regulations pertaining to domestic or international corruption, commercial bribery, fraud, kickback, embezzlement or money laundering.

1.4 "***Asia Actual***" means a company incorporated under Thai law with the name Asia Actual (Thailand) Co., Ltd. a holder of company's registration number 0105556161347.

1.5 "***Authorization***" or "***Authorized***" means, with respect to any Information or Data, possession by either Party of the ability (whether by ownership or grant of rights, other than pursuant to this Agreement) to grant to the other Party the applicable access or other right under this Agreement without violating the terms of an agreement with a Third Party and/or any Applicable Law.

1.6 "***Business Day***" means a day other than a Friday, Saturday or Sunday or any public holiday in Israel or Thailand.

1.7 "***Calendar Quarter***" means a period of three (3) consecutive months during a Calendar Year beginning on and including January 1st, April 1st, July 1st or October 1st.

1.8 "***Calendar Year***" means a period of twelve (12) consecutive months beginning on and including January 1st.

1.9 "***Commercialization Plan***" has the meaning set forth in Section 6.1(c).

1.10 "***Commercially Reasonable Efforts***" means, with respect to a Party's specific obligations under this Agreement, that level of efforts and resources at the relevant point in time, that is consistent with the usual practice followed by such Party in the exercise of its scientific and business judgment relating to other medical device products owned or licensed by it or to which such Party has exclusive rights (but in any event no less than the efforts consistent with those generally used by similarly positioned (in scope and value) medical device companies with sufficient resources to advance a program) including commercial, clinical, general, legal, scientific, or medical factors.

1.11 "***Confidential Information***" has the meaning set forth in Section 8.1.

1.12 "***Data***" means any and all scientific, clinical, general or test data pertaining to the Product that is generated by or under the authority of Terumo or its Affiliates, Sub-Distributors or other subcontractors or by or under the authority of IceCure or IceCure ex-Territory Distributors before or during the Term, including research data, clinical pharmacology data, chemistry, manufacturing and controls data (including analytical and quality control data and stability data), preclinical data, clinical data and all submissions made in association with an application for Regulatory Approval filed in or outside the Territory with respect to the Product, in each case to the extent such data either (a) a Party has the Authorization on the Effective Date or (b) comes within a Party's Authorization during the Term.

1.13 "***Delivery***" means upon pick-up of the Product in Caesarea, Israel, or other location mutually agreed by the Parties, and based on delivery terms EXW (Incoterms 2020).

1.14 "***Disclosing Party***" has the meaning set forth in Section 8.1.

1.15 "***Executives***" has the meaning set forth in Section 13.2.

1.16 "***Exclusivity Term***" means: with respect to the Territory the term commencing as of the Effective Date, and continuing until the earlier of: (i) termination of the Agreement pursuant to Article 12 of the Agreement, or (ii) the termination of the exclusivity pursuant to Exhibit 6.4.

1.17 "***Export Control Laws***" means all applicable U.S., European Union, Israel, and Thai or other applicable laws and regulations relating to (a) sanctions and embargoes imposed by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Irish Government or the European Union or (b) the export or re-export of commodities, technologies or services or data, including the Export Administration Act of 1979, 24 U.S.C. §§ 2401-2420; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706; the Trading with the Enemy Act, 50 U.S.C. App. §§ 1 et. seq.; the Arms Export Control Act, 22 U.S.C. §§ 2778 and 2779; and the International Boycott Provisions of Section 999 of the U.S. Internal Revenue Code of 1986, European Union laws and regulations (including but not limited to, Regulation (EC) No 428/2009, as amended), in each case as amended.

1.18 "***FCPA***" means the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1 et. seq.), as amended.

1.19 "***First Upfront Payment***" has the meaning set forth in Section 3.1.

1.20 "***GMP***" means current Good Manufacturing Practice, including TFDA's regulations and QMS under ISO13485.

1.21 "***IceCure Indemnitees***" has the meaning set forth in Section 11.1.

1.22 "***IceCure Information***" means all Information (including Data) that IceCure has the Authorization to share as of the Effective Date or during the Term, which Information is necessary or reasonably useful, at IceCure's reasonable discretion, to file for, obtain or maintain Regulatory Approval or to distribute, commercialize, market, promote, sell, offer for sale or import the Product in the Territory.

1.23 "***IceCure Patents***" means all IceCure's Patents as of the Effective Date or during the Term.

1.24 "***Indemnitee***" has the meaning set forth in Section 11.3.

1.25 "***Indemnitor***" has the meaning set forth in Section 11.3.

1.26 "***Information***" means information and submissions pertaining to, or made in association with, filings with any Regulatory Authority, data, including pharmacological, toxicological and clinical data, analytical and quality control data, manufacturing data and descriptions, patent and legal data, market data, financial data or descriptions, specifications and the like, in written, electronic or other form, now known or hereafter developed, whether or not patentable.

1.27 "***Importation License***" means the MA Approval of TFDA to import the Product into the Territory.

1.28 "***Intellectual Property Rights***" means rights in, and in relation to any Patents, utility models, design patents, design rights, trademarks, trade and business names, copyright, database rights, domain names and topography rights, including the benefit of all registrations of, applications to register and the right to apply for registration of any of the foregoing items and all rights in the nature of any of the foregoing rights, each for their full term (including without limitation, any divisions, continuations, extentions or renewals thereof), trade secrets, know-how and any other intellectual properties, all of the foregoing wherever enforceable in the world.

1.29 "***LOI***" or "***Letter of Intent***" means the certain Letter of Intent dated 28 September 2020, executed between IceCure and Terumo.

1.30 "***Losses***" has the meaning set forth in Section 11.1.

1.31 "***MA Approval***" means approval, licenses, registrations, or authorizations of Regulatory Authorities in the applicable regulatory jurisdiction for the use, storage, import, transport and/or sale of a pharmaceutical, therapeutic and medical device product in such regulatory jurisdiction.

1.32 "***Patent***" means (a) any patent, certificate of invention, application for certificate of invention, priority patent filing and patent application, and (b) any renewal, division, continuation (in whole or in part) or request for continued examination of any of such patent, certificate of invention and patent application, and any patent or certificate of invention issuing thereon, and any reissue, reexamination, extension, restoration by any existing or future extension or restoration mechanism, division, renewal, substitution, confirmation, registration, revalidation, revision and addition of or to any of the foregoing.

1.33 "***Person***" means any individual, corporation, partnership, limited liability company, trust or other entity.

1.34 "***Product***" means (a) IceCure's proprietary cryo-ablation device known as Prosense™, as further described in Exhibit 1.36, including any improvements made thereto during the Term and/or next generation thereof, and (b) IceCure's proprietary probe and other applicable accessories and components to the cryo-ablation device known as Prosense™.

1.35 "***Product Trademark***" has the meaning set forth in Section 9.6(a).

1.36 "***Public Official or Entity***" means (a) any officer, employee (including physicians, hospital administrators or other healthcare professionals), agent, representative, department, agency, de facto official, corporate entity, instrumentality or subdivision of any government, military or international organization, including any

ministry or department of health or any state-owned or affiliated company or hospital, or (b) any candidate for political office, any political party or any official of a political party.

1.37 "***Quality Agreement***" has the meaning set forth in Section 6.5.

1.38 "***Receiving Party***" has the meaning set forth in Section 8.1.

1.39 "***Regulatory Approval***" means any and all approvals, licenses, registrations, or authorizations of Regulatory Authorities in the applicable regulatory jurisdiction, that are necessary or the manufacture, use, storage, import, transport and/or sale of the Product in such regulatory jurisdiction, or are mutually agreed to be required for the commercialization between the Parties, including Importation License.

1.40 "***Regulatory Authority***" means any national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity whose review and/or approval is necessary for the manufacture, packaging, use, storage, import, export, distribution or promotion of the Product in the applicable regulatory jurisdiction, including the TFDA and the TMDCD.

1.41 "***Regulatory Filings***" means all applications, approvals, licenses, notifications, registrations, submissions and authorizations made to or received from a Regulatory Authority in connection with the commercialization of the Product, including any Regulatory Submissions and MA Approvals.

1.42 ***"Regulatory Submissions"*** means all applications, notifications, and submissions made to a Regulatory Authority (including any attachment or supplement thereto) to obtain Regulatory Approval in connection with the commercialization of the Product, and all Information contained therein.

1.43 "***Second Upfront Payment***" has the meaning set forth in Section 3.2.

1.44 "***Specification(s)***" has the meaning set forth in Exhibit 1.34.

1.45 ***"Study Information"*** means any and all Information (including Data) derived from clinical and non-clinical study conducted by Terumo (directly or indirectly, excluding IceCure and/or its Affiliates) in the Territory, for making Regulatory Submission, obtaining and maintaining Regulatory Approval and/or commercializing the Product in the Territory, but Study Information excludes IceCure Information, IceCure Patents, and Inventions.

1.46 "***Sub-Distributor***" means any Person other than Terumo that Terumo appoints to market, promote, offer for sale, sell, import or distribute the Product in the Territory, beyond the mere right to purchase the Product from Terumo for end use.

1.47 ***"Tax Authority"*** means any government, state, or municipality of any local, state, federal, or other fiscal, revenue, customs, or excise authority, body, or official anywhere in the world, authorized to levy tax.

1.48 "***Term***" means the period commencing on the Effective Date and continuing until December 31, 2026 (the "***Initial Term***"), and automatically extended for six (6) years periods each (each a "***Renewal Term***") unless either Party notifies to the other Party of its intention to terminate at least one (1) year prior to the expiration of the Initial Term or any subsequent Renewal Term, as applicable, or if this Agreement is terminated earlier pursuant to Article 12 of the Agreement.

1.49 "***Territory***" means Thailand and its territories and possessions.

1.50 "***TFDA***" means the Thailand Food and Drug Administration, or any successor agency thereto having the administrative authority to regulate the marketing of human pharmaceutical, therapeutic and medical device products in the Territory.

1.51 "***Third Party***" means any governmental authority or Person other than IceCure, Terumo and their respective Affiliates.

1.52 "***Third Party Claims***" has the meaning set forth in Section 11.1.

1.53 ***"TMDCD***" means Thailand Medical Device Control Division under Food and Drug Administration of Thailand

1.54 "***Third Upfront Payment***" has the meaning set forth in Section 3.3.

1.55 "***Trademark***" means any word, name, symbol, color, designation or device or any combination thereof, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo or business symbol, whether or not registered.

1.56 "***United States***" or "***U.S.***" means the United States of America, including its territories and possessions and the District of Columbia.

1.57 "***Upfront Payments***" means First Upfront Payment, Second Upfront Payment and Third Upfront Payment collectively (or respectively,***"Upfront Payment"***).

ARTICLE 2
DISTRIBUTION APPOINTMENT

2.1 Appointment of Terumo as Distributor. Subject to the terms and conditions of this Agreement, IceCure hereby appoints Terumo, and Terumo accepts appointment, as the exclusive distributor of the Product in the Territory during the Exclusivity Term, and IceCure grants to Terumo the exclusive rights to file for and maintain Regulatory Approval of, promote, market, offer for sale, sell, import and distribute the Product in the Territory during the Exclusivity Term. For the removal of doubt, following the termination or expiration of the Exclusivity Term, in the event Agreement will not be expired or terminated, subject to the terms and conditions of this Agreement, Terumo will have during the remaining period of the Term all of the abovementioned rights on a non-exclusive basis. IceCure must not sell the Product or any product that is substantially similar to the Product in the Territory through any other distributor (except for Terumo and its Affiliates) or directly by itself during the Exclusivity Term. Notwithstanding the above, during the Exclusivity Term, IceCure and/or its Affiliates shall seize any new promotions in the Territory either directly or indirectly of such Products to any Third Party in the Territory, including but not limited to Asia Actual, doctors and medical institutions.

2.2 Subcontracting by Terumo. Subject to the terms and conditions of this Agreement, Terumo shall have the right to appoint Sub-Distributors for the Product

in the Territory , without the prior consent of IceCure; provided, however, in the event the performance of services by such Sub-Distributor will require to provide it with IceCure Information and IceCure Patents, Terumo will execute a confidentiality and non-use agreement with such Sub-Distributor that will impose on the Sub-Distributor the obligations as strict as those set forth in this Agreement. Terumo shall have the right to subcontract any regulatory, sales, marketing, or promotional activities with respect to the Product in the Territory, including to any contract sales organization ("**Third Party Contractor**"), in each case, without the prior consent of IceCure. IceCure shall have the right to object to a Sub- Distributor and/or Third Party contractor if it becomes aware of issues with respect to such Third Party Contractor that could have a material adverse effect on IceCure in the Territory. In such event, IceCure will advise Terumo of its concerns, and the Parties will discuss what actions, if any, to take with respect to such Sub-Distributor or Third Party Contractor, *provided* that no actions shall be taken with respect to such Sub-Distributor and/or Third Party Contractor without Terumo's prior consent, which shall not be unreasonably withheld or delayed. Terumo shall be responsible for the acts or omissions of its Sub-Distributors and/or Third Party contractors under any agreement or engagement, including any such act or omission that would constitute a breach hereunder if performed by Terumo. Notwithstanding the preceding, it is the express intention of the Parties that Terumo shall act as the principal distributor of the Product in the Territory and may not hire Sub-Distributors with the intent of reducing its obligations under this Agreement.

2.3 Supply of Product for Distribution. IceCure shall supply or have supplied to Terumo, in accordance with the terms set forth in Section 6.3, and Terumo shall purchase from IceCure, Product for sale by Terumo or its Affiliates or Sub-Distributors in the Territory, subject to and under the provisions of this Agreement. Terumo shall purchase all such amounts of Product supplied by IceCure under the payment provisions of Section 6.3 and Article 7.

2.4 Right of Negotiation. During the Exclusivity Term, in the event that IceCure intends to sell any product other than the Product in the Territory, IceCure will notify Terumo in writing of such intention ("**Negotiation Notice**" and "**Negotiation Notice Date**", respectively) before notifying the same to any other prospective distributor. If Terumo notifies IceCure in writing within thirty (30) days after receipt of Negotiation Notice from IceCure, IceCure will be required to negotiate in good faith with Terumo a distribution agreement pursuant to which Terumo will obtain the exclusive distribution appointment for such product in the Territory. IceCure may not enter into a distribution agreement and/or its equivalent (including without limitation term sheet and letter of intent) with a Third Party for the purpose contemplated in this Section 2.4 without written consent from Terumo for three (3) months following the Negotiation Notice Date by Terumo to IceCure. In the event Terumo has not notified IceCure within the said thirty (30) day period, or the negotiations have not concluded to definitive agreement within the said three (3) month period above, IceCure shall be permitted to negotiate and/or enter into a distribution agreement and its equivalent with any Third Party.

2.5 No Other Rights. No rights shall be deemed granted by one Party to the other Party under this Agreement by implication, estoppel, or otherwise.

ARTICLE 3
UPFRONT PAYMENT

3.1 First Upfront Payment. In consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure, an upfront payment of one hundred fifty thousand U.S. dollars (US$150,000) ("***First Upfront Payment***"). Terumo shall pay to IceCure First Upfront Payment on the later date between (i) thirty (30) days from the receipt of a valid tax invoice to be issued on the Effective Date ; (ii) fourteen (14) days from the filing of the termination letter of Asia Actual's Importation License of the Products to Thai FDA and providing the confirmation document of such submission to Terumo ("***Due Date of First Upfront Payment***"); *provided, however*, that the First Upfront Payment will be deemed to have been made in time if Terumo has instructed the paying bank to make such payment to IceCure not later than three (3) Business Days before the Due Date of Upfront Payment and such payment is completed within three (3) Business Days after the Due Date of Upfront Payment.

3.2 Second Upfront Payment. In further consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure the Second Upfront Payment within thirty (30) days after receiving the invoice from IceCure on May 1, 2021 and provided that Asia Actual has already filed the termination letter of Asia Actual's Importation License of the Products to Thai FDA before such date, a payment of one hundred fifty thousand U.S. dollars (US$150,000) ("***Second Upfront Payment***").

3.3 Third Upfront Payment. In further consideration for the exclusive distribution appointment under Section 2.1, Terumo shall pay to IceCure within thirty (30) days after receiving the invoice from IceCure on May 1, 2022, a payment of one hundred fifty thousand U.S. dollars (US$150,000) ("***Third Upfront Payment***"). Notwithstanding the above, in the event that Terumo have not purchase the Minimum Purchase Amount (MPA), as defined in Exhibit 6.4, on the first fiscal year - ending 31 March 2022, and because of such failure IceCure terminates Terumo's exclusive right to distribute the Products as set forth in Section C to Exhibit 6.4, the Third Upfront Payment would not be required to be paid by Terumo. However, if IceCure invoices for the payment of Third Upfront Payment to Terumo, IceCure shall waive all of its right to terminate the Exclusivity Term from the cause that Terumo does not purchase to reach the MPA on the first fiscal year. For the removal of doubt, the abovementioned exclusion will not derogate IceCure's rights to terminate the exclusivity right if Terumo shall not purchase the Minimum Purchase Amount (MPA), as defined in Exhibit 6.4, for any other fiscal year following the first fiscal year - ending 31 March 2022.

Notwithstanding anything provided in Article 7.4, Terumo shall make the Upfront Payments after deducting the applicable taxes.

Payment for each of the Upfront Payments and any other payments from Terumo to IceCure shall be made within 30 days from the date that Terumo receive the relevant invoice from IceCure.

ARTICLE 4
COORDINATION

4.1 Meetings. The Parties will hold meetings, either in-person or telephonically, or alternatively exchange views in writing, at such frequency and in such method as determined by the Parties (taking into account any commuting restriction due to the COVID-19 global pandemic), to discuss and coordinate the Parties' activities under this Agreement, including with respect to filing for, obtaining, and maintaining Regulatory Approval and commercializing (including commercial supply to Terumo and marketing and sales) the Product in the Territory. Each Party shall bear all its own costs and expenses incurred by it in connection with attending in-person meetings. The items of such discussion are, without limitation, the following topics:

(a) the Commercialization Plan, including all amendments thereto;

(b) the results of the Commercialization Plan to ensure, to the extent reasonably practical, compliance with obligations under this Agreement;

(c) discussing the production capacity of IceCure and its Third Party manufacturers;

(d) discussing marketing and sales updates;

(e) facilitating the exchange of Data between the Parties, including any adverse event information.

(f) discussing the rolling forecast and the safety stock of the Product for each of the Territory.

4.2 Alliance Managers. Promptly after the Effective Date, each Party shall appoint an individual to act as the alliance manager for such Party (the "***Alliance Manager***"). Each Alliance Manager will be permitted to attend meetings described in Section 4.1. The Alliance Managers will be the primary contact for the Parties regarding the activities contemplated by this Agreement and shall facilitate all such activities hereunder. Each Party may replace its Alliance Manager with an alternative representative at any time with prior written notice to the other Party. Any Alliance Manager may designate a substitute to temporarily perform the functions of that Alliance Manager.

ARTICLE 5
DEVELOPMENT AND REGULATORY ACTIVITIES

5.1 Overview.

(a) Terumo shall be responsible for filing, obtaining, and maintaining Regulatory Approval of the Product in the Territory, including for improvements and post-marketing surveillance as described in this Article 5.

Asia Actual is currently holding on behalf of IceCure an Importation License to import and market the Products in the Territory, attached hereto as Exhibit 5.1(a), until June 17, 2021 (the "**AA Regulatory Approval**"). Following the Effective Date of this Distribution Agreement, IceCure agrees to use reasonable commercial efforts to cause Asia Actual to withdraw the AA Regulatory Approval, through submission of the termination letter of AA Regulatory Approval for the Products to TFDA using the form attached hereto as Exhibit 5.1(b). Furthermore, during the Exclusivity Term, IceCure undertakes not to perform by itself and/or its Affiliates to directly sell Products in the Territory and/or grant any rights to any third party to import Products, to the Territory. IceCure agrees to cooperate with Terumo Thailand to obtain Terumo Thailand's inscription and importation license, Regulatory Approval as a holder of such Regulatory Approvals from TFDA. The Parties will coordinate in good faith and if needed, will adjust the submission date of such AA's termination letter to avoid the situation where the Products would not have any valid license in the Territory.

(b) In the event that AA Regulatory Approval is not terminated in prior to its expiration, after the expiration of the current AA Regulatory Approval held by Asia Actual, IceCure undertakes not to cooperate with Asia Actual either directly or indirectly to renew its AA Regulatory Approval. IceCure further agrees that the payment of the First Upfront Payment and Second Upfront Payment will be hold until the submission of the termination letter of AA Regulatory Approval for the Products to TFDA using the form attached hereto as Exhibit 5.1(b).

5.2 Regulatory Activities.

(a) Conduct of Regulatory Activities. Terumo shall be solely responsible, in its expense (subject to IceCure's obligation with respect to assistance as set in this Article 5.2(e) below), for preparing, filing, obtaining, and maintaining Regulatory Approvals, including Importation License for the Product in the Territory, including those improvements and post-marketing surveillance. Terumo shall be the holder of the Regulatory Approval for the Product in the Territory issued pursuant to this Article 5, and shall be responsible for all interactions with Regulatory Authorities with respect to the Product in the Territory. Terumo shall ensure that IceCure is updated in advance of such activities, including allowing IceCure to participate in the discussions with Regulatory Authority (to the extent it is possible and permitted) and discussions regarding the labeling of, and post-marketing surveillance strategies with respect to the Product in Territory, but Terumo may make the final decision with respect to any of the foregoing activities, provided that, in the event such decision impose any substantial obligation on IceCure that are not set forth in this Agreement or Quality Agreement, such decision is feasible and can be exerted by Commercially Reasonable Efforts by IceCure, and that Terumo will bear expenses with respect to such decision as agreed by the Parties. Terumo shall consider in good faith all input provided by IceCure with respect to such regulatory activities. In connection with such activities, Terumo shall timely inform IceCure of scheduled meetings with Regulatory Authorities in the Territory with respect to the Product in order to allow IceCure time to convey its opinion on the matter.

(b) Efforts to Obtain Importation License. Terumo shall obtain Importation License in the Territory.

(c) Expenses. Terumo shall bear all costs and expenses incurred in connection with Regulatory Filings and Regulatory Approvals in the Territory with respect to the Product under this Agreement, provided that IceCure shall bear its internal and out-of-pocket costs and expenses incurred in connection with its assistance and cooperation as set in this Article 5 below which will be reasonably and mutually agreed between the Parties.

(d) Regulatory Cooperation. Each Party shall cooperate with any reasonable requests for assistance from the other Party with respect to obtaining or maintaining Regulatory Approval of the Product in and outside the Territory. IceCure shall be responsible for providing reasonable assistance and cooperation to Terumo, at its own cost (unless otherwise agreed by both Parties), for the Regulatory Filings. As part of such assistance, to the extent available, IceCure shall provide Terumo with Authorized information related to the Product that is required to facilitate such Regulatory Filings, including Data obtained from clinical trials conducted in countries other than the Territory, to the extent required.

5.3 Transfer of and Reference to IceCure Information. During the Term, if and when required necessary, and solely for the purpose of filing for, obtaining, and maintaining Regulatory Approval for the Product and commercializing the Product in the Territory, each Party shall provide assistance to the other Party so that said application will be completed as soon as possible. Subject to IceCure's prior written consent which shall not be unreasonably withheld, Terumo shall have the right to reference Regulatory Filings outside the Territory that contain IceCure Information solely for the purpose of filing for, obtaining and maintaining Regulatory Approval and commercializing the Product in the Territory in accordance with this Agreement. Terumo may use and disclose such IceCure Information to its Affiliates, Sub- Distributors and to Third Party Contractors in connection with marketing activities, medical education activities, professional services activities and public relations activities, or for purposes of obtaining consultation services in the normal course of business (such as business consultants, advertising agencies, law firms, accounting firms, etc.), in each case solely to the extent necessary for filing for, obtaining, and maintaining Regulatory Approval in the Territory and commercializing the Product in the Territory, or as may otherwise be agreed in writing by IceCure and Terumo. All such disclosures by Terumo shall be considered as Confidential Information to each Third Party receiving such information and governed by the provisions of Article 8. Terumo shall be responsible for the acts or omissions of a Third Party receiving such IceCure Information, including any such act or omission that would constitute a breach hereunder if performed by Terumo.

5.4 Business Development. As between the Parties, Terumo will have the sole right to conduct (itself or through an Affiliate or Third Party), at Terumo's

expense, nonclinical and clinical business development activities of the Product in or for the Territory. The Parties shall discuss such business development activities, including the design and implementation of such studies, any updates on the progress, and results and publication thereof provided by Terumo. Terumo shall not execute any related clinical study agreement, application, or regulatory submission that names IceCure as a co-party, indemnitee, or sponsor in any way without the prior written approval of IceCure. At IceCure's request, Terumo shall update IceCure with the then-current status of its clinical and non-clinical business development of the Product in or for the Territory. Terumo shall maintain full compliance with any and all Applicable Laws, applicable regulatory, ethical, privacy, and legal requirements relating to the conduct of human clinical studies in the Territory, including acquiring and maintaining any appropriate insurance related to product liability and study conduct.

5.5 Diligence. Terumo shall use Commercially Reasonable Efforts to prepare, file for, obtain, and maintain Regulatory Approval for Product in the Territory.

5.6 Adverse Event Reporting. Terumo shall be responsible for the timely reporting of all relevant adverse events, complaints, and safety data relating to the Product to the appropriate Regulatory Authorities in the Territory (and *provided* that Terumo shall timely report IceCure of any such events, complaints, or data prior to (or if it is not practicable to do so, promptly after) reporting to the appropriate Regulatory Authorities and shall consider in good faith any reasonable comments made by IceCure, if any, with respect thereto prior to reporting to the appropriate Regulatory Authorities in the Territory), all in accordance with Applicable Laws and requirements of Regulatory Authorities in the Territory. IceCure (or its Affiliates, licensees, or sublicensees outside the Territory) shall be responsible for the timely reporting of all relevant adverse events, complaints, and safety data relating to the Product to the appropriate Regulatory Authorities outside the Territory (and to Terumo). The Parties may agree on a separate agreement to detail such reporting. Each Party shall have the right to review from time to time the other Party's vigilance policies and procedures. The Parties agree to work together in good faith to coordinate regarding vigilance activities with respect to the Product, including by exchanging each Party's standard operating procedures and other Information relevant to such vigilance activities.

5.7 Regulatory Audit. Terumo shall notify IceCure promptly and any event no later than five (5) Business Days after becoming aware of a Regulatory Authority audit or inspection of Terumo or its Affiliates with respect to the Product. The Parties agree to cooperate during the preparation and conduct of any audit by a Regulatory Authority.

5.8 Recalls. In the event that any Regulatory Authority issues or requests a recall (i.e. removal of the Product from distribution, sale or consumption that present a significant health or safety threat) or takes similar action in connection with the Product in the Territory, or in the event either Party determines that an event, incident, or circumstance has occurred that may result in the need for a recall or market withdrawal (i.e. removal of the Product from the supply chain for any other reason than health or safety), the Party notified of or desiring such recall or similar action shall, within ten (10) Business Days, advise the other Party thereof by telephone (and confirm by email or facsimile). The Parties shall, to the extent practicable, endeavor to discuss and agree upon whether to recall or withdraw the Product in the Territory, and in the Territory, Terumo shall review and consider in good faith all information provided by IceCure in connection with such discussion, including any assessment of safety and whether to recall or withdraw the Product; *provided* that if such discussion is not practicable or if the Parties fail to so agree within an appropriate time period (recognizing the exigencies of the situation), then in the Territory Terumo shall decide whether to recall or withdraw the Product. Such Party determining the recall shall be responsible for conducting any such recall or withdrawal, shall use Commercially Reasonable Efforts to minimize the expenses of any such recall or withdrawal and shall keep the other Party fully informed of all actions taken in conducting such recall or withdrawal. Subject to above, any recall or withdrawal expenses shall be borne by the Parties in proportion to their respective attribution to the cause of the recall.

5.9 Terumo will use all reasonable efforts to seek confidential treatment for IceCure Information or IceCure Patents in all Regulatory Activities; and*provided, further*, that Terumo will use good faith efforts to file redacted versions with any Regulatory Authority.

ARTICLE 6
COMMERCIALIZATION AND SUPPLY

6.1 Commercialization of the Product.

(a) Terumo Responsibilities. During the Exclusivity Term, Terumo shall (i) have the exclusive right, and shall use its Commercially Reasonable Efforts, to market, promote, sell, offer for sale, and otherwise commercialize the Product in the Territory, at its sole cost and expense, in accordance with the Applicable Laws and subject to the terms and conditions of this Agreement. For the removal of doubt, following the termination or expiration of the Exclusivity Term, in the event Agreement will not be expired or terminated, subject to the terms and conditions of this Agreement, Terumo will have during the remaining period of the Term all of the abovementioned rights on a non-exclusive basis. Without limiting the foregoing, Terumo shall have the exclusive right and responsibility in the Territory for the following:

(i) designing the commercialization and marketing strategy and tactics for the Product, for potential inclusion in the Commercialization Plan;

(ii) undertaking all promotional activities for the Product;

(iii) establishing and implementing post-market surveillance programs for the Product as required or recommended by a Regulatory Authority;

(iv) receiving, accepting and filling orders for the Product from customers;

(v) warehousing and distributing the Product to customers;

(vi) controlling invoicing, order processing and collection of accounts receivable for sales of the Product;

(vii) recording sales of the Product in the Territory in its books of account for sales

(viii) providing results of sales of the Product for purposes of periodic safety reports and exposure estimates; and

(ix) specific packaging and labeling requirements for the Territory, *provided* that, if such packaging and labeling is performed by IceCure, Terumo shall pay the incremental cost for specialized packaging and labeling.

(b) IceCure Responsibilities. IceCure shall assit Terumo with available information and materials reasonably required for Terumo's marketing, sales and training of Terumo's sales force, including copies of informational brochures, sales and marketing materials, products information of the Products necessary to respond to any Product inquiries by customers in the Territory; provided that, such information and material will be provided in English. Terumo shall be entitled to create local-language versions of the brochures and marketing materials provided by IceCure at Terumo's cost, provided that Terumo shall warrant accuracy of the translation to IceCure. IceCure shall assist in training selected members of Terumo representing Terumo's sales force at IceCure's premises or agreed place by IceCure. Each Party will bear its costs and

expenses in connection with the foregoing.

(c) Commercialization Plan. The Parties agree to collaborate in developing the plan for the commercialization of the Product in the Territory, which shall identify proposed plans to address potential challenges with respect to commercialization of the Product in the Territory (the "***Commercialization Plan***") by in-person or telephonic meetings and which may be revised from time to time. Terumo shall regularly consult with and provide quarterly written updates to IceCure regarding the commercialization strategy for and the commercialization of the Product in the Territory. Both Parties agree to discuss marketing and sales updates and their strategies, at least once in every six (6) months' period.

6.2 Trademark Licenses. During the Term and subject to the terms and conditions of this Agreement, IceCure hereby grants to Terumo an exclusive (during the Exclusivity Term), royalty-free, limited license to use the Product Trademarks solely to promote, market, sell, offer for sale, import, and distribute the Product in the Territory in accordance with the terms of this Agreement.

6.3 Supply.

(a) Supply of the Products. The Parties acknowledge and agree that IceCure shall retain the exclusive right to make and have made the Product. No later than September 30th of each calendar year during the Term, Terumo shall submit a non-binding good faith rolling Forecast of Terumo's anticipated quarterly demand of the Products for the coming calendar year for the Territory(the "**Forecast**"). IceCure shall notify Terumo within five (5) Business Days from the receipt of the Forecast if it expects it will not be able to fulfill the Forecast and thereafter the Parties shall discuss the Forecast in good faith. IceCure will be deemed to have accepted the Forecast unless IceCure notifies Terumo of said non-fulfillment expectation within five (5) Business Days from the receipt of the Forecast. Subject to the terms of this Agreement, IceCure shall manufacture or have manufactured and supply or have supplied and maintain a capacity of manufacturing to fulfill the accepted Forecast, for the Territory, and Terumo shall purchase from IceCure Product for sale in the Territory in accordance with the terms and conditions of this Agreement.

(b) Product Price. Terumo shall pay to IceCure the price of the Product in the currency of U.S. dollars as set forth on Exhibit 6.3 (***Product Price***") within thirty (30) days from the date of relevant invoice. IceCure may issue invoice of an order at the time stipulated in Exhibit 6.3.

(c) Purchase Orders. Terumo shall issue written orders to purchase Product under this Agreement (each, a "***Purchase Order***"), each of which shall specify the number of units of each item of the Product to be delivered and the requested delivery date. Within five (5) Business Days after receipt of Terumo's Purchase Order, IceCure shall confirm or decline the Purchase Order in writing. As long as Terumo has submitted a Purchase Order to IceCure at least 120 days prior to the delivery date indicated in such Purchase Order, and quantity of each item of the Product in such Purchase Order was contemplated in the Forecast, IceCure may not decline the Purchase Order. Even if the Purchase Order was submitted later than 120 days prior to the delivery date, or was not contemplated in the Forecast, IceCure shall use Commercially Reasonable Efforts to accept the Purchase Order. All Purchase Orders confirmed by IceCure will be binding and may not be cancelled or modified by either Party without the other Party's written consent.

(d) Initial Order. Upon execution of Agreement, Terumo shall issue a Purchase Order for three (3) Consoles and One Hundred (100) Probes of the Product and the general product support associated therewith (**"Initial Order"**) for commercial sale. Prices for all consoles and probes under the Initial Order shall be set at an aggregate amount of three hundred twenty-nine thousand (329,000) USD (ex-works).

(e) Superiority of this Agreement. Any term or condition in a Purchase Order, confirmation, or other document furnished by a Party, that is inconsistent with the terms and conditions of this Agreement will not be binding on the Parties unless agreed in writing by both Parties.

(f) Safety Stock. If agreed by IceCure in writing, IceCure will maintain such safety stock of Probes in an amount agreed by the Parties in writing.

(g) Delivery. Title to the Product will transfer upon Delivery.

(h) Specifications. IceCure shall deliver Product that is manufactured in accordance with the Specifications, GMP, and Applicable Laws. Each Party shall notify the other Party in writing if it becomes aware of any changes to the Specifications that are required by Applicable Laws or Regulatory Approval in the Territory. In each case, IceCure shall use Commercially Reasonable Efforts to implement any such changes. Any changes to the Specification or to the Product that will affect quality of the Product or Regulatory Approval of the Product must not be implemented unless otherwise agreed by both Parties in advance, or unless otherwise implemented pursuant to the relevant terms and conditions of the Quality Agreement. In any case, any such change to the Specification or to the Product will be notified by IceCure to Terumo at least six (6) months prior to such change.

(i) Release Testing. IceCure shall test each applicable batch or serial of Product in accordance with the Specification as defined in Exhibit 1.34 and the Quality Agreement. Prior to the Delivery, IceCure shall conduct inspection of the Product in accordance with IceCure's standard lot release testing methods approved by Terumo in writing. The Parties shall agree in good faith upon such standard lot release-testing methods prior to the delivery of any Product (other than the Initial Order). IceCure shall send to Terumo a written certification of the results for each shipment. At Terumo costs and expenses, Terumo or its Affiliates shall conduct the incoming inspections and testing of the Product as set forth in the Specification as defined in Exhibit 1.34 and the Quality Agreement and as required by Applicable Laws and applicable Regulatory Authorities in the Territory. Terumo shall be responsible for final Product release testing for the Product in the Territory.

(j) Acceptance and Rejection. At Terumo costs and expenses (including unpacking and packing), Terumo, itself or through its Affiliates or Sub-Distributors, will inspect and test each shipment of the Product in accordance with the Specification as defined in Exhibit 1.34 and the Quality Agreement upon arrival of such Product in the Territory, as applicable. Terumo may reject and return any part of a shipment of the Product that does not conform to the Specifications, GMP, or Applicable Laws by giving written notice to IceCure identifying the reasons for the rejection of the shipment within thirty (30) days after discovering such defect, but no later than the time thirty (30) days have passed upon receipt of the Products in the Territory. The acceptance criteria is intended to be agreed by the Parties in the Specification as defined in Exhibit 1.34 and the Quality Agreement. Payment of the Product Price shall constitute the acceptance of the delivery. If, after accepting a delivery of the Product, Terumo subsequently discovers an alleged Product defect not reasonably discoverable by the inspection described in this Section, or by inspecting the batch documentation accompanying such shipment upon delivery, during the acceptance period set forth in this Section, Terumo may revoke its acceptance and reject such delivery by giving written notice and disclosing the nature of such defect to IceCure within thirty (30) days after discovering such defect.

(k) Evaluation of Defect. Within twenty (20) Business Days after notice of rejection pursuant to Section 6.3(j) is received by IceCure, IceCure shall notify Terumo whether it disagrees with the reasons for Terumo's rejection of the Product. If IceCure disagrees, both Parties shall discuss in good faith in order to agree on whether there was a reasonable basis for rejection. If the Parties do not agree after thirty (30) days of discussion in good faith, IceCure shall, unless waived in writing by either Party accepting the other Party's opinion, have the right to submit such issue for resolution by an independent Third Party laboratory chosen by both Parties. IceCure shall work closely with Terumo in preparing all statements, reports, analyses, and other materials submitted to the independent laboratory for evaluation. The evaluation of the independent

laboratory will be binding on IceCure and Terumo. If the evaluation determines that the Product does not conform with the Specifications, GMP, or Applicable Laws, Terumo may reject the Product as set forth herein, and as between IceCure and Terumo, IceCure shall be responsible for the cost of the evaluation. If the evaluation does not determine the said nonconformity of the Product claimed by Terumo, then Terumo will be deemed to have accepted such Product, which will be deemed to be conforming on the date the evaluation is delivered by the independent laboratory, and Terumo will reimburse IceCure for the costs of such evaluation; *provided, however*, that Terumo may determine, in its sole discretion, not to use such Product. With respect to any quantity of Product that IceCure agrees is deficient in accordance with Terumo's notice of rejection, or that is otherwise found to be deficient by the independent laboratory, IceCure shall repair such quantity of Product at its own cost and within reasonable time, and if such cannot be repaired or is not repaired within reasonable time, at Terumo's option, either refund to Terumo the Product Price paid by Terumo for such quantity of Product or replace such quantity of Product at no charge (**"Remedy for Defect"**). All evaluation proceedings by the independent laboratory shall be conducted in the English language and the personnel of the independent laboratory shall be fluent in English. All documentation or discussions, shall be presented in English.

(l) Disposition of Rejected Product. Terumo may not destroy any damaged, defective, returned, or recalled Product for which it intends to send IceCure a notice of rejection without IceCure's prior written authorization to do so. With respect to any quantity of Product that IceCure agrees is deficient in accordance with Terumo's notice of rejection, or that is otherwise found to be deficient by the independent laboratory, IceCure may instruct Terumo to return the defective Product to IceCure. IceCure shall bear the costs of shipping, storage, and disposition for any damaged, defective, returned, or recalled Product for which it bears responsibility under this Section 6.3(k) and will promptly reimburse Terumo for any such costs which may be incurred directly by Terumo. Further, IceCure shall make Commercially Reasonable Efforts to conduct analysis of the cause of the deficiency upon receipt of Terumo's request.

6.4 Terumo's Commitments to Purchase. Terumo commits to purchase from IceCure the amounts of Products under the conditions as set forth in Exhibit 6.4.

6.5 Quality. The Parties will negotiate in good faith and, no later than one (1) month prior to the delivery of any Product (other than the Initial Order) under this Agreement, or such later time as the Parties may agree in writing, enter into a quality agreement governing the quality assurance obligations of the Parties with respect to the manufacture and supply of the Product (as it may be amended or modified from time to time according to its terms, the "***Quality Agreement***"). In the event of a discrepancy between the provisions of the Quality Agreement and the provisions of this Agreement, the provisions of the Quality Agreement shall control with respect to terms governing quality of the Product and the provisions of this Agreement shall control with respect to all other terms. IceCure shall require all Product supplied to Terumo hereunder to be manufactured, stored, tested, transported, disposed of, and otherwise handled in accordance with the Specifications, GMP, Applicable Laws, and the Quality Agreement. IceCure shall maintain and follow a quality control and quality assurance testing program consistent with the Quality Agreement. Each time IceCure ships the Product to Terumo, it will provide Terumo with the documentation specified in the Quality Agreement. IceCure shall conduct GMP audits of its manufacturing facilities according to its internal standard operating procedures.

6.6 Inspections. During IceCure's normal business hours and upon prior reasonable coordination in good faith between the Parties, IceCure shall make its standard operating procedures, books and records relating to the manufacture of the Product available and allow access to all the facilities used for the manufacture of the Product to Terumo and any Regulatory Authority in the Territory having jurisdiction over the manufacture of the Product for the purposes of determining IceCure's compliance with GMP and Applicable Laws. IceCure shall notify Terumo of any U.S, and/or Chinese Regulatory Authority inspections and inspections conducted by a notified body in connection with CE Mark, which are related to the manufacture of the Product by the process outlined in the Quality Agreement. IceCure shall promptly inform Terumo if IceCure becomes aware of any action taken by such Regulatory Authority or notified body against IceCure that could reasonably be expected to materially impact the Product or IceCure's ability to supply the Product hereunder, and shall provide a copy of such notice to Terumo within seven (7) Business Day after IceCure has actual knowledge that such action has been taken and receives such notice. IceCure shall cooperate with Terumo in response to any communication, whether oral or written, from a Regulatory Authority in the Territory to Terumo or IceCure or any Third Party engaged by either Party, with regard to the manufacture of the Product including validation, prior to the Effective Date and throughout the Term. Terumo may request IceCure that Terumo or its designee, at Terumo costs and expense, conduct regularly schedule audit as agreed by the Parties and conduct "for cause" audits where reasons exist for such "for cause" audit (such as death or serious injury possibly caused by the Product). If such "for cause" audits result from any nonconformity of the Product to the Specifications, GMP, or Applicable Laws, including any defects of Product as set forth in the Quality Agreement, IceCure shall reimburse Terumo for the reasonable cost of such audit, which amount will be mutually discussed in good faith.

6.7 Maintenance. Terumo shall be entitled to provide product support to its customers for the Products, including maintenance service, provided that such technical service shall be provided by limited personnel of Terumo who received training provided by IceCure or its designee, or subject to IceCure's written approval training prepared by Terumo pursuant to IceCure's reasonable instruction (**"Authorized Personnel"**). Upon request of Terumo, IceCure shall provide Terumo the training for the purpose that Terumo's personnel will be eligible to provide the product support properly to its customers. The allocation of the cost for provision of such training shall be mutually agreed by the Parties. Further upon reasonable request of Terumo, IceCure shall provide spare parts of the Products to Terumo and support services. The terms and conditions for providing such spare parts and support services, including the spare parts and support services pricing list, will be mutually agreed by the Parties.

6.8 Licenses; Permits; Documentation. IceCure shall maintain, to the extent required by Applicable Laws in connection with IceCure's performance of its manufacturing obligations hereunder, during the Term, all government permits, including health, safety, environmental permits, and Regulatory Approval , necessary for the manufacture of the Product and sale of the Products to Terumo or its Affiliates pursuant to this Agreement. IceCure shall maintain, to the extent required by Applicable Laws in connection with IceCure's performance of its obligations hereunder, in accordance with GMP and other Applicable Laws, complete, accurate, and authentic accounts, notes, data, and records pertaining to the manufacture and testing of the Product. During IceCure's normal business hours and upon prior reasonable coordination, IceCure shall make such records available to Terumo for inspection. Retention of records of manufacturing of each batch (as applicable) shall be agreed in the Quality Agreement, for removal of doubt samples will not be retained.

ARTICLE 7
PAYMENTS, BOOKS, AND RECORDS

7.1 Payment Method. All amounts specified to be payable under this Agreement are in United States dollars and shall be paid in United States dollars. All payments under this Agreement shall be made by bank wire transfer in immediately available funds to an account designated in writing by the payee Party or by such other means as directed by such Party in writing. Payments hereunder will be considered to be made as of the day on which they are received by the payee Party's designated bank.

7.2 Currency Conversion. For the purpose of calculating any sums due under this Agreement, and subject to the Product Price adjustment set forth on Exhibit 6.3, conversion shall be made to U.S. dollars by using the arithmetic mean of the exchange rates for the purchase of United States dollars as quoted by the Bank of Tokyo-

Mitsubishi UFJ or other reputable source if agreed between the Parties.

7.3 No Setoff. Neither of the Parties will be entitled to setoff against any amounts due and payable to the other Party under this Agreement, unless otherwise agreed, or except for setoff of the amount due and payable by Terumo to IceCure under this Agreement against (i) IceCure's indemnification obligation under this Agreement; (ii) IceCure's obligation to make refund pursuant to Section 6.3 (k) or Section 12.3; and/or (iii) IceCure's obligation to pay Termination Fee (as defined in Section 12.3(a)). In order to setoff the amount due and payable by Terumo to IceCure under this Agreement against the amounts described in the above (i), (ii) and (iii) of this Section 7.3, Terumo shall inform IceCure by sending a 30 day prior written notice regarding its decision to setoff the relevant amount (***"Set-off Amount"***). Without prejudice to the entitlement to set-off by Terumo under this Section, IceCure may notify in writing to Terumo within five (5) Business Days from the receipt of said notice from Terumo if IceCure reasonably believes that the Set-off Amount is inconsistent with this Section 7.3, and upon receipt such notice by Terumo, the Parties will mutually discuss to find whether the amount is inconsistent with this Section 7.3. If certain portion or whole of the IceCure's obligations (i) through (iii) against which set-off was made is finally found to be non-existent as a result of the dispute-resolution process under Article 13, or acknowledged in writing by Terumo to be non-existent, the interest set forth in Section 7.6 shall accrue on such amount that was unpaid by Terumo from the original due date.

7.4 Taxes. In the event that Terumo is required to withhold any taxes on amounts payable to IceCure in accordance with Applicable Laws, Terumo will make payment to IceCure net of any withholding tax that may be due (i.e. Terumo will make payment after deducting the amount of such withholding tax from the amounts payable to IceCure). Terumo shall notify IceCure its intention to deduct such withholding tax from the amounts payable to IceCure. IceCure may notify Terumo of its opinion on a reasonable ground that Terumo will not be required to withhold the taxes under Applicable Laws, in which case the Parties will discuss and make efforts to find a solution compliant with Applicable Laws. For purposes of this Section, each Party agrees to provide the other with reasonable assistance including provision of any tax forms and other information that may be reasonably necessary in order for the paying Party not to withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty.

7.5 Tax Indemnification. In case Tax Authority claims, demands, or brings action to or against Terumo claiming that (i) Terumo did not pay the withholding tax imposed upon the Upfront Payment under Applicable Laws; and/or (ii) the withholding tax paid by Terumo in connection with Upfront Payment was insufficient under Applicable Laws (collectively ***"Tax Authority Claims"***), subject to Section 10.5, IceCure shall indemnify and hold harmless Terumo Indemnitees (as defined in Section 11.2) from and against any and all damages, losses, costs, and reasonable expenses (including any penalty of late payment of withholding tax or similar fine/penalty, except if such penalty results from Terumo's willful misconduct) incurred by Terumo Indemnitees due to the Tax Authority Claims (***"Tax Liability"***).

7.6 Late Payments. In the event that any payment by a Party due to the other Party under this Agreement is not made when due, and in addition to any other remedies the other Party may have in law or in equity, the payment shall accrue interest from the date due at a rate per annum equal to one percent (1%) above the U.S. Prime Rate (as set forth in *The Wall Street Journal*, Eastern U.S. Edition) for the date on which payment was due, calculated daily on the basis of a 365-day year, or similar reputable data source; *provided* that in no event shall such rate exceed the maximum legal annual interest rate.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, the Parties agree that during the Term and for five (5) years thereafter, the receiving Party (the "***Receiving Party***") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as set forth in this Agreement any Information or materials furnished to it or its Affiliates by or on behalf of the other Party (the "***Disclosing Party***") or its Affiliates pursuant to this Agreement or any other written agreement between the Parties or their Affiliates, in any form (written, oral, photographic, electronic, magnetic, or otherwise), including all information concerning the Product and any other general or business information of whatever nature (collectively, "***Confidential Information***" of the Disclosing Party). Each Party may use the Confidential Information of the other Party only to the extent required to accomplish the purposes of this Agreement (including to exercise its rights or fulfill its obligations under this Agreement). Each Party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the Confidential Information of the other Party. Each Party will promptly notify the other upon discovery of any unauthorized use or disclosure of the Confidential Information of the other Party. For the avoidance of doubt, Terumo shall be responsible for the breach of this Article 8 by any Sub-Distributor or Third Party contractors that it retains.

8.2 Exceptions. Notwithstanding Section 8.1 above, the obligations of confidentiality and non-use shall not apply to information that the Receiving Party can prove by competent written evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party or any of its Affiliates, generally known or available; (b) is known by the Receiving Party or any of its Affiliates, other than under an obligation of confidentiality to the Disclosing Party, at the time of receiving such information; (c) is hereafter lawfully furnished to the Receiving Party or any of its Affiliates by a Third Party, which Third Party did not receive such information directly or indirectly from the Disclosing Party or other Third Party under an obligation of confidence; (d) is independently discovered or developed by the Receiving Party or any of its Affiliates without the use or reference of Confidential Information belonging to the Disclosing Party; or (e) is the subject of a written permission to disclose provided by the Disclosing Party.

8.3 Permitted Disclosures. Notwithstanding the provisions of Section 8.1, the Receiving Party may disclose Confidential Information of the Disclosing Party as expressly permitted by this Agreement or if and to the extent such disclosure is reasonably necessary in the following instances:

(a) filing or prosecuting by IceCure of its Patents;

(b) prosecuting or defending litigation as permitted by this Agreement (solely to non-sensitive information);

(c) complying with applicable court orders, governmental regulations or, applicable subpoenas or reasonable requests issued by governmental authorities in relation to compliance with the FCPA, Export Control Laws and other Applicable Laws;

(d) in the case of Terumo, disclosure under terms of confidentiality no less stringent than under this Agreement to Sub-Distributors and subject to Section 8.1 above;

(e) in the case of IceCure, disclosure under terms of confidentiality no less stringent than under this Agreement to potential;

(f) disclosure to its and its Affiliates' contractors, employees and consultants, in each case who need to know such information for filing for, obtaining and maintaining Regulatory Approvals and commercialization of Product in the Territory in accordance with this Agreement (or, in the case of disclosures by IceCure, who need to know such information for the development, manufacture and commercialization of the Product), on the condition that any such Third Parties agrees in writing to be bound by

confidentiality and non-use obligations that are no less stringent than those confidentiality and non-use provisions contained in this Agreement; and

(g) disclosure of the Agreement (no other information) to Third Parties in connection with due diligence or similar investigations by such Third Parties, and disclosure to current or prospective investors, lenders, sublicensees, collaborative partners, acquirers, merger partners, or providers of financing and their advisors; *provided*, in each case, that any such Third Party agrees to be bound by confidentiality and non-use obligations that are no less stringent than those confidentiality and non-use provisions contained in this Agreement.

Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to Section 8.3(b) or (c), it will, except where impracticable, give reasonable advance notice to the other Party of such disclosure and use efforts to secure confidential treatment of such information at least as diligent as such Party would use to protect its own Confidential Information, but in no event less than reasonable efforts. In any event, the Parties agree to take all reasonable action to avoid disclosure of Confidential Information hereunder.

8.4 Confidentiality of this Agreement and its Terms. Except as otherwise set forth in this Article 8, each Party agrees not to disclose to any Third Party the existence of this Agreement or the terms of this Agreement without the prior written consent of the other Party, except that each Party may disclose the terms of this Agreement that are not otherwise made public as contemplated by Section 8.5 as permitted under Section 8.3.

8.5 Public Announcements.

(a) Except as required by Applicable Laws (including disclosure requirements of the SEC, TASE or any stock exchange on which securities issued by a Party or its Affiliates are traded), neither Party shall make any public announcement concerning this Agreement or the subject matter hereof without the prior written consent of the other; *provided* that each Party may make any public statement in response to questions by the press, analysts, investors or those attending industry conferences or financial analyst calls, or issue press releases, so long as any such public statement or press release is not inconsistent with prior public disclosures or public statements approved by the other Party pursuant to this Section 8.5(a) and does not reveal non-public information about the other Party. In the event of a public announcement required by Applicable Laws, to the extent practicable under the circumstances, the Party making such announcement shall provide the other Party with a copy of the proposed text of such announcement sufficiently in advance of the scheduled release to afford such other Party a reasonable opportunity to review and comment upon the proposed text.

(b) The Parties will coordinate in advance with each other in connection with the filing of this Agreement (including redaction of certain provisions of this Agreement) with any stock exchange on which securities issued by a Party or its Affiliate are traded, and each Party will use reasonable efforts to seek confidential treatment for the terms proposed to be redacted; *provided* that each Party will ultimately retain control over what information to disclose to an applicable government body, and *provided, further*, that the Parties will use good faith efforts to file redacted versions with any governing bodies which are consistent with redacted versions previously filed with any other governing bodies. Other than such obligation, neither Party (nor its Affiliates) will be obligated to consult with or obtain approval from the other Party with respect to any filings to the government body governing a stock exchange.

(c) Except as expressly permitted in this Agreement or as required by Applicable Laws, neither Party may use the other Party's trademarks, service marks or trade names, or otherwise refer to or identify that other Party in marketing or promotional materials, press releases, statements to news media or other public announcements, without the other Party's prior written consent, which that other Party may grant or withhold in its sole discretion.

8.6 Publication. At least thirty (30) days prior to Terumo or its Affiliates publishing, publicly presenting, and/or submitting for written or oral publication a manuscript, presentation, abstract, marketing document or the like that includes Information or Data relating to the Product that has not been previously published, Terumo shall provide to IceCure's Alliance Manager a draft copy thereof for IceCure's review and approval (unless Terumo is required by Applicable Laws to publish such Information sooner, in which case Terumo shall provide such draft copy to IceCure's Alliance Manager as much in advance of such publication as possible). The contribution of each Party shall be noted in all publications or presentations by acknowledgment or co-authorship, whichever is appropriate.

8.7 Prior Non-Disclosure Agreements. As of the Effective Date, the terms of this Article 8 shall supersede any prior non-disclosure, secrecy or confidentiality agreement between the Parties (or their Affiliates) dealing with the subject of this Agreement. Any information disclosed under such prior agreements shall be deemed disclosed under this Agreement.

8.8 Equitable Relief. Given the nature and value of the Confidential Information and the competitive damage and irreparable harm that would result to a Party upon unauthorized disclosure, use or transfer of its Confidential Information to any Third Party, the Parties agree that monetary damages may not be a sufficient remedy for any breach of this Article 8. If the Receiving Party becomes aware of any breach or threatened breach of this Article 8 by the Receiving Party or a Third Party to whom the Receiving Party disclosed the Disclosing Party's Confidential Information, the Receiving Party promptly shall notify the Disclosing Party and cooperate with the Disclosing Party to regain possession of its Confidential Information and prevent any further breach. In addition to all other remedies, a Party shall be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach or threatened breach of this Article 8 without furnishing proof of actual damages.

ARTICLE 9
INTELLECTUAL PROPERTY OWNERSHIP AND ENFORCEMENT

9.1 Ownership of Intellectual Property.

(a) IceCure Patents and IceCure Information; Inventions. Without derogating from the limited license provided to Terumo explicitly set forth in this Agreement including Sections 5.3, 6.2, and 9.1(b), IceCure shall retain all Intellectual Property Rights in the Product including without limitation all right, title, and interest in and to the IceCure Patents and IceCure Information, and any and all derivative works (by whomever created, including Terumo and/or its Affiliates), developments, modifications and feedbacks related to the Product, IceCure Patents and/or IceCure Information. Terumo shall inform IceCure of any Invention (as defined below) relating to the Product and, at IceCure's request and expense, Terumo hereby expressly assigns all right, titles and interests in and to any Inventions (defined below) to IceCure and shall execute any necessary assignment, Patents forms, trademarks, and the like and will assist in the drafting of any description or specification of the Invention as may be required for IceCure's records and in connection with any application for Patents. Terumo shall treat all Information relating to any Invention as Confidential Information. While, where relevant, the name of the inventor on the Patent applications will be that of the inventor IceCure shall be the exclusive owner of any invention, Trademark, copyright, improvement, know-how or other intellectual property which shall be developed by Terumo using any IceCure Patents and IceCure Information, but in any event excluding Study Information (***"Inventions"***), and of any patent, patent application, trademark, copyright and such other rights therein, without any additional compensation to Terumo. For avoidance of doubt, by entering into this agreement, both Parties agree that it shall not affect to any rights and abilities of Terumo Corporation (in Japan) to IceCure, pursuant to the Distribution Agreement, dated 29 August 2019.

(b) Other Intellectual Property Rights. Each Party shall own the entire right, title and interest in and to any and all Information discovered, developed, identified, made, conceived or reduced to practice by or on behalf of such Party or its Affiliates or their respective employees, agents or contractors during the Term, whether or not patented or patentable, together with any and all Intellectual Property Rights in any such Information, including Patents that claim or disclose any such Information.

9.2 IceCure Patent Prosecution and Maintenance. As between IceCure and Terumo, IceCure shall have the sole right, but not the obligation, to prepare, file, prosecute (including any reissues, re-examinations, post-grant proceedings, requests for patent term extensions, interferences, and defense of oppositions) and maintain the IceCure Patents, at IceCure's sole discretion and cost.

9.3 Infringement by Third Parties.

(a) Notice. In the event that either IceCure or Terumo becomes aware of any infringement or threatened infringement by a Third Party in the Territory of any IceCure Patents, it shall notify the other Party in writing to that effect. Any such notice shall include evidence to support an allegation of infringement or threatened infringement by such Third Party.

(b) Control of Action. IceCure shall have the right, but not the obligation, to bring and control any action or proceeding with respect to alleged or threatened infringement by a Third Party in the Territory of any IceCure Patent (***"Infringement By Third Party"***) at its own cost. IceCure shall keep Terumo reasonably informed of any such actions or proceedings, and the Parties shall cooperate and consult with each other in strategizing regarding any such action or proceeding; *provided* that IceCure shall control and have the right to make all final decisions (regardless of whether or not Terumo is a party to such action or proceeding) regarding all matters in the preparation and conduct of any such action or proceeding. If the Infringement By Third Party is with respect to Product and may affect the amount of Terumo's distribution of the Products in the Territory under this Agreement , and IceCure does not bring such action or proceeding within a reasonable time frame, without the release of IceCure's obligation in the preceding sentence, Terumo shall be exempted from the obligation to purchase Minimum Purchase Amount set forth in Exhibit 6.4 (***"MPA Exemption"***), and also may terminate this Agreement pursuant to Section 12.2 of this Agreement.

(c) Recoveries. Any monetary recovery resulting from actions or proceedings under this Section 9.3 will be allocated as follows: each of Terumo and IceCure first will be reimbursed, out of such recovery, for its reasonable and verifiable costs and expenses with respect to such action or proceeding (such reimbursement to be pro-rata based on the Parties' relative costs and expenses if the recovery is not sufficient to reimburse both Parties fully) with any remainder being allocated in proportion to each Party's loss of gross profit, or if such allocation could not be identified, equally between the Parties.

9.4 Infringement of Third Party Rights. If either Party becomes aware of any intellectual property in the Territory owned by a Third Party that it believes will, or may, be infringed by the manufacture, importation, development or commercialization of the Product in the Territory as contemplated by this Agreement, such Party shall notify the other Party of such intellectual property. The Parties then shall discuss the matter and seek in good faith to agree on whether the Parties should take a license under such intellectual property, and if so, on what terms; *provided* that, if the Parties are unable to agree after a reasonable period, not to exceed thirty (30) days, of good faith discussions, then IceCure shall have the right, but not the obligation, to obtain such a license on such terms as it determines in its sole discretion. In the event any Third Party files a claim alleging infringement of the Intellectual Property Rights of such Third Party by the manufacture, importation, development or commercialization of the Product in the Territory as contemplated by this Agreement, IceCure shall bring and control any defense of any such claim, at IceCure's sole cost and expense and by counsel of its own choice, and Terumo shall have the right, to be represented in any such action by counsel of its own choice, at Terumo's sole cost and expense. Neither Party shall enter into any settlement or compromise of any action under this Section 9.4 which would in any manner alter, diminish, or be in derogation of the other Party's rights under this Agreement without the prior written consent of such other Party, which shall not be unreasonably withheld or delayed. Subject to preceding sentence, IceCure shall be responsible for any and all fees, milestones, royalties and other payments owed to a Third Party under any agreement entered by IceCure with such Third Party in connection with the sale, offer for sale or import of the Product in the Territory.

9.5 Patent Term Restoration. IceCure may ask Terumo in writing to cooperate with IceCure in obtaining patent term restoration, extensions and/or any other extensions of the IceCure Patents as available under Applicable Laws, subject to IceCure's rights under Section 9.1. Terumo will use good-faith efforts to provide cooperation, the way of which will be determined by Terumo at its sole discretion.

9.6 Product Trademarks.

(a) Selection and Ownership of Product Trademarks. All packaging, promotional materials, package inserts, and labeling for the Product in the Territory may bear one or more Trademarks that pertain specifically to the Product, including the Trademarks in existence as of the Effective Date as set forth in Exhibit 9.6 (together with the alternative Trademarks mentioned in the next sentence, each, a "***Product Trademark***"). If the Product Trademarks in existence as of the Effective Date are not eligible for trademark protection or for use in connection with the Product in the Territory, then IceCure shall have the right to identify alternative Trademarks owned, registered or to be registered by IceCure and that can be used for the Product in the Territory. IceCure or its Affiliates shall own all Intellectual Property Right in and to all Product Trademarks, all corresponding trademark applications and registrations thereof, and all common law rights thereto. All goodwill of the business associated with or symbolized by the Product Trademarks shall inure to the benefit of IceCure. Terumo acknowledges IceCure's exclusive ownership of the Product Trademarks and agrees not to take any action inconsistent with such ownership. For the removal of doubt, IceCure does not currently have registered Trademarks in the Territory, and nothing in this Agreement shall oblige IceCure to register any Trademarks in the Territory.

(b) Maintenance and Prosecution of Product Trademarks. IceCure shall, at IceCure's sole expense, control the registration, prosecution and maintenance of the Product Trademarks in the Territory; *provided* that IceCure shall keep Terumo reasonably informed of IceCure's actions with respect thereto and shall consider in good faith any reasonable comments made by Terumo with respect thereto. If IceCure plans to abandon any such Product Trademark in the Territory, IceCure shall notify Terumo in writing at least ninety (90) days in advance of the due date of any payment or other action that is required to maintain such Product Trademark, and Terumo may elect, upon written notice within such ninety (90)-day period to IceCure, to make such payment or take such action, at Terumo's expense, and IceCure shall reasonably cooperate with Terumo in connection with such maintenance activities.

(c) Use of Product Trademarks. If the Parties agree and determine that Terumo will use the Product Trademarks on the Products sold in the Territory, Terumo shall comply with reasonable policies provided by IceCure from time to time to maintain the goodwill and value of the Product Trademarks. In such a case, Terumo shall not, and shall cause its Affiliates not to, (i) use, seek to register, or otherwise claim rights in the Territory in any Trademark that is confusingly similar to, misleading or deceptive with respect to, or that materially dilutes, any of the Product Trademarks, or (ii) knowingly do, cause to be done, or knowingly omit to do any act, the doing, causing

or omitting of which endangers, undermines, impairs, destroys or similarly affects, in any material respect, the validity or strength of any of the Product Trademarks (including any registration or pending registration application relating thereto) or the value of the goodwill pertaining to any of the Product Trademarks.

(d) Enforcement of Product Trademarks. IceCure shall have the right, but not the obligation, to bring and control any action or proceeding, at IceCure's expense, to enforce the Product Trademarks in the Territory, including taking such action as IceCure deems necessary against a Third Party based on any alleged, threatened or actual infringement, dilution or misappropriation of, or unfair trade practices or any other like offense relating to, the Product Trademarks in the Territory by a Third Party. If IceCure does not enforce the Product Trademarks in any such instance, then IceCure shall promptly so notify Terumo, and Terumo shall have the right, but not the obligation, at Terumo's expense, to do so. Each Party shall provide to the other Party all reasonable assistance requested by such first Party in connection with any such action, claim or suit under this Section 9.7(d), including allowing such first Party access to such other Party's documents and to such other Party's personnel who may have possession of relevant information.

ARTICLE 10
REPRESENTATIONS, WARRANTIES AND COVENANTS; LIMITATION OF LIABILITY

10.1 Mutual Representations, Warranties and Covenants. Each Party hereby represents and warrants to the other Party, as of the Effective Date, as follows:

(a) such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such would prevent such Party from performing its obligations under this Agreement;

(b) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary corporate action, and this Agreement is a legal and valid obligation binding on such Party and enforceable in accordance with its terms and does not: (i) to such Party's knowledge and belief, violate any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over such Party; nor (ii) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which such Party is a party or by which it is bound;

(c) such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party, or has completed, or is not required to complete, any registration, qualification, designation, declaration or filing with any Regulatory Authority or governmental authority in connection with the execution and delivery of this Agreement and the performance by such Party of its obligations under this Agreement;

(d) such Party has the right to grant the rights contemplated under this Agreement and has not (and with respect to IceCure subject to the termination of AA Regulatory Approval as set forth in Section 5.1(a), provided, however, that this disclosure is without derogating Ice Cure's undertakings in this Agreement), and will not during the Term, grant any right to any Third Party that would conflict with the rights granted to the other Party hereunder;

(e) such Party is not debarred or disqualified under the United States Federal Food, Drug and Cosmetic Act or related United States Applicable Laws or comparable Applicable Laws in the Territory and it does not, and will not during the Term, employ or use the services of any Person who is debarred or disqualified, in connection with activities relating to the Product, and in the event that either Party becomes aware of the debarment or disqualification or threatened debarment or disqualification of any Person providing services to such Party, including the Party itself and its Affiliates, that directly or indirectly relate to activities under this Agreement, such Party shall immediately notify the other Party and shall cease employing, contracting with, or retaining any such person to perform any services under this Agreement;

(f) in the performance of its obligations hereunder, such Party shall comply in all material respects and shall cause its and its Affiliates' employees and contractors to comply in all material respects with all Applicable Laws;

(g) such Party and its Affiliates and their respective employees and contractors have not and shall not, directly or indirectly through Third Parties, pay, promise or offer to pay, or authorize the payment of, any money or give any promise or offer to give, or authorize the giving of anything of value to a Public Official or Entity or other Person for purpose of obtaining or retaining business for or with, or directing business to, any Person, including IceCure or Terumo; and, without any limitation to the foregoing, such Party and its Affiliates and their respective employees and contractors have not and shall not directly or indirectly promise, offer or provide any corrupt payment, illicit gratuity, emolument, bribe, kickback, illicit gift or hospitality or other illegal or unethical benefit to a Public Official or Entity or any other Person, and no political contributions or charitable donations have been or shall be given, offered, promised, or paid, that are in any way related to this Agreement;

(h) such Party is aware of all applicable anti-corruption and anti-bribery laws, including the FCPA, and all applicable anti-corruption laws in effect in the countries in which such Party conducts or will conduct business, and such Party and its Affiliates and their respective employees and contractors shall not cause any of their respective employees or agents to be in violation of the FCPA, Export Control Laws or any other Applicable Laws;

(i) such Party shall fully cooperate and shall cause its Affiliates and their respective employees, contractors and subcontractors to cooperate fully with the other Party in ensuring compliance with the FCPA, Export Control Laws and all other similar Applicable Laws;

(j) such Party shall maintain accurate and complete records of its receipts and expenses having to do with this Agreement, including records of payments to any Public Official or Entity or other Person, in accordance with generally accepted accounting principles, and shall make such books and accounting records available for review by the other Party, or by an independent party nominated by such other Party, at such other Party's reasonable request; and

(k) such Party shall immediately notify the other Party if such Party has any information or suspicion that there may be a violation of the FCPA, Export Control Laws or any other similar Applicable Law in connection with the performance of this Agreement or the sale of the Product in the Territory; and

(l) If either Party materially breaches any representation or warranty of this Section 10.1, the other Party shall have, in addition to any other rights and remedies available to it, the right to unilaterally and immediately terminate this Agreement.

10.2 Representations, Warranties and Covenants of IceCure. IceCure represents, warrants, and covenants to Terumo that:

(a) as of the Effective Date, IceCure has not received written notice of any pending or threatened claims or actions alleging that the development or commercialization of the Product infringes or would infringe the Intellectual Property Right(s) of any Third Party in the Territory , and IceCure is not aware of any facts that would give rise to any such claim or action;

(b) IceCure will submit to Terumo, until the later of: (a) seventy (70) days after the end of each Calendar Quarter, or (b) ten (10) Business Days following filing to TASE pursuant to the Israeli Securities Law, 5728-1968 the condensed consolidated financial statements in English (consisting of balance sheet, profit and loss statement and cash flow statement reflecting the financial conditions and operating results of IceCure's business activities during the quarter) (***"Financial Statements"***); provided however, in case IceCure or its Affiliates' securities will no longer be traded, and the disclosure requirements of the SEC, TASE or any stock exchange will not apply to such, IceCure's will submit to Terumo, its non-audited condensed consolidated Financial Statements for the Calendar Quarter which shall be certified by the CFO of IceCure as true and correct in all material respects and which shall be written in English;

(c) IceCure will notify Terumo immediately if its management decides to discontinue IceCure's business relating to the Product or to file for insolvency proceedings;

(d) the Product shall, at the time of Delivery to Terumo hereunder, meet the Specifications, and have no defect in design, material, or workmanship to be used and to be sold within the Territory.. Notwithstanding, this warranty under this subsection with respect to the Console will be limited for a period of twelve (12) months from the applicable Delivery (***"Console Warranty"***). The Console Warranty shall not apply to a Console which has been transported, handled, stored, used repaired or altered other than in accordance with IceCure's written instructions, nor shall it apply to a Console which has been subject to misuse, unauthorized use, negligence, accident, (including fire, water, explosion, smoke, vandalism, etc.) or which has been operated contrary to IceCure's written instructions, and IceCure's indemnification obligation under Article 11.2 shall not apply with respect to such Console. Without derogating from the above, Console Warranty will be void, if at any time: (i) anyone other than personnel authorized by IceCure unpacks a Console and/or attempts to open or remove the Console's packaging, and/or makes any unauthorized amendments, internal changes, removals, attachments or additions to the Console or components thereof (except for amendments, internal changes, removals, attachments, or additions to the Console or components thereof made by Terumo's Authorized Personnel for providing product support to its customers as contemplated in Section 6.7); or (ii) anyone installs unauthorized hardware or software in the Product. Terumo, its Affiliates and the Sub- Distributors will not offer their customers any warranty that differ from the terms set forth in this Article 10.2. ;

(e) the Product shall, at the time of Delivery to Terumo hereunder, new and not used. For clarification, the Consoles shall be provided to Terumo, at the time of Delivery, within six (6) months from the production thereof, and the Probe shall have remaining shelf life of at least four point five (4.5) years at the time of Delivery.

(f) the Product shall be manufactured and tested in accordance with Applicable Laws, including GMP; and

(g) the Product shall not be adulterated or misbranded within the meaning of the United States Food, Drug and Cosmetic Act, 21 U.S.C. Section 301c et. seq. or other Applicable Laws.

10.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, VALIDITY AND ENFORCEABILITY OF PATENTS, OR THE PROSPECTS OR LIKELIHOOD OF DEVELOPMENT OR COMMERCIAL SUCCESS OF THE PRODUCT.

10.4 Remedy for breach of Product Warranty. In case of breach of warranty set forth in Section 10.2 (d), (e), (f), Terumo shall be entitled to, and IceCure shall provide to Terumo, a remedy equivalent to the Remedy for Defect by following the process as set forth in Section 6.3 (k), without prejudice to any other rights and remedies under this Agreement and/or Applicable Laws.

10.5 Limitation of Liability. NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ITS PERFORMANCE OR BREACH OF THIS AGREEMENT); *provided, however,* that this Section 10.5 shall not be construed to limit (a) either Party's right to indirect, special, incidental or consequential damages for the other Party's breach of Articles 8 and/or 9, fraud, intentional misrepresentation, willful misconduct, or breach of another party's Intellectual Property Rights; and (b) either Party's indemnification rights or obligations under Article 11.

10.6 Liability Cap. WITHOUT DEROGATING FROM ARTICLE 10.5, EACH PARTY'S TOTAL LIABILITY ARISING UNDER THIS AGREEMENT SHALL BE LIMITED TO THE GREATER OF (A) THE AMOUNT PAID AND PAYABLE BY TERUMO TO ICECURE HEREUNDER IN THE TWELVE (12) MONTHS PERIOD PRECEDING THE DATE OF THE CLAIM UNDER THIS AGREEMENT; OR (B) TEN (10) MILLION U.S. DOLLARS; provided, however, that this Section 10.6 will not be applicable in case such liability arise out of either for the other Party's breach of Articles 8 and/or 9, fraud, intentional misrepresentation, willful misconduct, or IceCure's indemnification obligation with respect to Tax Liability. For the avoidance of doubt, this Section 10.6 will be applied to either Party's indemnification obligations under Article 11.

ARTICLE 11
INDEMNIFICATION

11.1 Indemnification of IceCure. Subject to the terms and provisions in this Agreement including Articles 10.3, 10.5, 10.6 and 12.3 (d) above, Terumo shall indemnify, defend and hold harmless IceCure and its Affiliates and their respective directors, officers and employees (the "***IceCure Indemnitees***"), from and against any and all losses, liabilities, damages, penalties, fines, costs and expenses (including reasonable attorneys' fees and other expenses of litigation) ("***Losses***") incurred by any IceCure Indemnitee resulting from any claims, actions, suits or proceedings brought by a Third Party ("***Third Party Claims***") to the extent arising from, or occurring as a result of : (a) regulatory activities conducted by Terumo in the Territory to obtain Regulatory Approval of the Product, or any misuse or mishandling of the Products by Terumo or its Affiliates; (b) the negligence or willful misconduct of any Terumo Indemnitees in connection with Terumo's and or any of its Sub-Distributors' performance of its obligations or exercise of its rights under this Agreement; or (c) any breach of any representations, warranties or covenants of Terumo in this Agreement by Terumo and or any of its and or its Sub-Distributors, except to the extent such Third Party Claims fall within the scope of the indemnification obligations of IceCure set forth in Section 11.2. In any Third Party Claim where both IceCure and Terumo are both at fault, Losses shall be apportioned between the Parties on the basis of the relative fault of each Party relative to the total Losses. For the avoidance of doubt, in the event that Terumo violates or breaches the following terms and obligations under section 12.3(d), IceCure shall be entitled in addition to any other remedy available under applicable law, to claim or allow any other third party with distribution rights in the Territory on its behalf, for the benefit that Terumo receives from such violation, together with any other claims on damages caused to IceCure or such third party.

11.2 Indemnification of Terumo. Subject to the terms and provisions in this Agreement including Articles 2.1, 10.3, 10.5 and 10.6 above, IceCure shall

indemnify, defend and hold harmless Terumo and its Affiliates and their respective directors, officers, employees and agents (the "***Terumo Indemnitees***"), from and against any and all Losses incurred by any Terumo Indemnitee resulting from any Third Party Claims to the extent arising from, or occurring as a result of: (a) the negligence or willful misconduct of any IceCure Indemnitees in connection with IceCure's performance of its obligations or exercise of its rights under this Agreement; (b) any claims or actions alleging that any Product is defective when used in accordance with applicable Specifications and labeling; (c) any claims or actions alleging that the Product or development or commercialization thereof infringes or would infringe the Intellectual Property Right(s) of any Third Party in the Territory ; (d) any claims or actions alleging death, injury or damages to property caused by a defect of Product; or (e) any breach of any representations, warranties or covenants of IceCure in this Agreement, except to the extent such Third Party Claims fall within the scope of the indemnification obligations of Terumo set forth in Section 11.1. In any Third Party Claim where both IceCure and Terumo are both at fault, Losses shall be apportioned between the Parties on the basis of the relative fault of each Party relative to the total Losses. For the avoidance of doubt, in the event that IceCure violates or breaches the aforementioned terms and obligations under section 2.1, Terumo Thailand shall be entitled in addition to any other remedy available under applicable law, to claim for the benefit that IceCure receives from such violation from IceCure, together with any other claims on damages caused to Terumo Thailand.

11.3 Procedure. A Party that intends to claim indemnification under this Article 11 (the "***Indemnitee***") shall promptly notify the indemnifying Party (the "***Indemnitor***") in writing of any Third Party Claim, in respect of which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have sole control of the defense and/or settlement thereof. The Indemnitee may participate at its expense in the Indemnitor's defense of and settlement negotiations for any Third Party Claim with counsel of the Indemnitee's own selection. The indemnity arrangement in this Article 11 shall not apply to amounts paid in settlement of any action with respect to a Third Party Claim, if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any action with respect to a Third Party Claim shall only relieve the Indemnitor of its indemnification obligations under this Article 11 if and to the extent the Indemnitor is actually prejudiced thereby. The Indemnitee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action with respect to a Third Party Claim covered by this indemnification.

11.4 Insurance. Each Party, at its own expense, shall maintain product liability and other appropriate insurance (or self-insure) in an amount consistent with industry standards (used by similarly positioned (in scope and value) medical device companies) for conduct of all activities under this Agreement during the Term and shall name the other Party as an additional insured with respect to such insurance. Each Party shall provide a certificate of insurance (or evidence of self-insurance) evidencing such coverage to the other Party upon request.

ARTICLE 12
TERM AND TERMINATION

12.1 Term. This Agreement shall commence on the Effective Date and shall remain in effect for the Term.

12.2 Early Termination.

(a) Mutual Agreement. The Parties may terminate this Agreement by mutual written agreement.

(b) Material Breach. A Party shall have the right to terminate this Agreement upon written notice to the other Party ("***Breaching Party***") if such Breaching Party is in breach of a material provision of this Agreement and has not cured such breach within sixty (60) days after delivery of notice from the terminating Party ("***Date of Notice***"); *provided, however*, that, if such alleged material breach is not reasonably susceptible of cure within such sixty (60) day period and the Breaching Party uses reasonable and diligent good faith efforts to cure such alleged material breach, such sixty (60) day period shall be extended as long as is reasonably necessary (but no more than six (6) months from the Date of Notice) and no such termination shall occur for so long as such efforts continue or if such breach is cured (but in each case for no longer than six (6) months from the Date of Notice); *provided, further*, in the event of a good faith disputed with respect to the existence of such breach, the sixty (60) day cure period shall be tolled until such time as the dispute is resolved pursuant to Article 13.

(c) Insolvency. A Party shall have the right to terminate this Agreement upon written notice to the other Party upon the bankruptcy, dissolution or winding up of such other Party, or the making or seeking to make or arrange an assignment for the benefit of creditors of such other Party, or the initiation of proceedings in voluntary or involuntary bankruptcy, or the appointment of a receiver or trustee of such other Party's property, that is not discharged within ninety (90) days.

(d) Both Parties' Termination. During: (x) the Initial Term, either Party may terminate this Agreement for convenience, without incurring liability to Terumo (except payment of the hereafter defined Termination Fee if such termination is provided to Terumo by IceCure), by providing written notice to Terumo at least twenty four (24) months prior to the intended date of termination, and (y) a Renewal Term, either Party may terminate this Agreement for convenience, without incurring liability to the other Party, with providing written notice to the other Party at least eighteen (18) months prior to the intended date of termination.

(e) Terumo shall have the right to terminate this Agreement upon written notice to IceCure if the board of directors of IceCure votes to, and actually does, discontinue IceCure's business relating to the Product.

(f) If Terumo fails to purchase at least (i) 60 % for Consoles; and (ii) 60 % for Probes respectively, of the Minimum Purchase Amount (as defined in Exhibit 6.4) for each fiscal year set forth in this Exhibit 6.4 (A), IceCure shall have the right to terminate this Agreement, without incurring liability to Terumo, if IceCure notifies Terumo of such termination within hundred and twenty (120) days after applicable MPA Year (as defined in Exhibit 6.4) and at least 30 days prior to the intended date of termination. For avoidance of doubt, such failure will not be construed to be a breach of the Distribution Agreement.

(g) If IceCure does not bring action or proceeding with respect to the Infringement By Third Party within a reasonable time frame pursuant to Section 9.3 (b), Terumo shall have the right to terminate this Agreement without incurring liability to Terumo or IceCure, with providing written notice to Terumo at least hundred and twenty (120) days prior to the intended date of termination.

12.3 Rights on Termination. The following shall apply upon any termination of this Agreement:

(a) Refund of Upfront Payments. In the event of Terumo's termination of this Agreement pursuant to Sections 12.2(b), (c), (e), or 12.2 (g), without prejudice to the other remedies available under Applicable Law or this Agreement, or IceCure terminates this Agreement pursuant to Section 12.2(d)(x) or (f) IceCure shall reimburse (if actually paid previously) Terumo the remaining value of Upfront Payments, depreciated proportionately calculated by the whole period of this Agreement (six (6) years), from the Effective Date using straight line method. For clarity, (i) Terumo will in no event be precluded from remedies available under Applicable Laws or this Agreement, (ii) Terumo will not be entitled to be reimbursed the remaining value of Upfront Payments, in the event of termination of this Agreement for any reason other than pursuant to Sections 12.2(b), (c), (e), or 12.2 (g) by Terumo and Section 12.2(d)(x) or (f) by IceCure ("**Termination Fee**"). For the avoidance of doubt, below are some examples of the amounts to be reimbursed, if any, by IceCure to Terumo under this Article 12.3(a):

12.2b,c,e,g 12.2(d)(x), (f)	Refund after 1 month from the Effective Date (assuming payment of 1st Upfront Payment)	$\frac{(72\text{-}1) \times \$150{,}000}{72}$	=	$ 147,916
12.2b,c,e,g 12.2(d)(x), (f)	Refund after 8 months from the Effective Date (assuming payment of 1st and 2nd Upfront Payment)	$\frac{(72\text{-}8) \times \$300{,}000}{72}$	=	$ 266,666
12.2b,c,e,g 12.2(d)(x), (f)	Refund after 19 months from the Effective Date (assuming payment 1st, 2nd, 3rd Upfront Payment)	$\frac{(72\text{-}19) \times \$450{,}000}{72}$	=	$ 331,250

(b) Continued Rights; Inventory. Subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, in the event this Agreement is terminated by Terumo pursuant to Section 12.2(c), or Section 12.2(e), Terumo shall have the right to elect to continue its sale of the Product in the Territory. In the event of such election, (i) Terumo shall retain its exclusive rights under this Agreement to do so; (ii) Terumo shall not be subject to any obligation set forth in Sections 12.3(d), (e) and (f); and (iii) at Terumo's option, IceCure shall cooperate with Terumo and/or its designee to effect a smooth and orderly transition of the manufacture and supply of the Product for the Territory so that Terumo's supply of Product for the Territory is not disrupted and to ensure continued transfer of data and information necessary of useful to maintain all required Regulatory Approvals in the Territory, including by providing any assistance necessary or useful in connection with submission of Regulatory Filings required to transfer responsibility for supply of the Product to Terumo, and the transfer of supply arrangements between IceCure and its Third Party manufactures to Terumo, including assignment of any and all agreements between IceCure and its Third Party manufactures involved in the supply of Products under this Agreement. Except to the extent Terumo elects to maintain its distribution rights as set forth in this Section 12.3(b), above, in the event of any other termination of this Agreement, Terumo shall continue, to the extent of selling Product inventory already ordered in accordance with Articles 6 and 7 of the Agreement ("**Remaining Inventory**"), as of the time of termination, to distribute Product in the Territory. For the avoidance of doubt, IceCure and/or its designee may elect to repurchase the inventory at the price such inventory originally sold to Terumo.

(c) Termination of Rights and Obligations. Upon termination of this Agreement, all rights and obligations of the Parties under this Agreement will terminate, except as otherwise set forth in this Section 12.3 and Sections 12.4, 12.5, and 12.6. Within thirty (30) days after the effective date of termination of this Agreement, each Party shall deliver to the other Party any and all Confidential Information of such other Party then in its possession, except to the extent a Party retains the right to use such Confidential Information pursuant to any rights granted under this Agreement that survive termination of this Agreement, and except for one (1) copy which may be kept in such Party's (or its counsel's) office for archival purposes subject to a continuing obligation of confidentiality and non-use under Article 8 for the duration set forth in Section 8.1.

(d) Assignment Regulatory Approvals. Upon termination of this Agreement, Terumo shall automatically (and without need of any further consent or action by Terumo) lose its right on the Importation License and shall seize all importation of the Product into the Territory, however subject to Section 12.3 above it shall not affect to the selling, marketing, providing after sales services, pharmacovigilance, adverse events monitoring and any actions of commercial activities to the sold and Remaining Inventory. Subject to Section 12.3 above, Terumo shall be eligible to continue performing the aforementioned activities after this Agreement has been terminated or expired as well as retain the Regulatory Approvals, related to the marketing, promotional, advertising, solely for selling the Remaining Inventory and reporting of any adverse events or any other requirement by TFDA, Thai law or regulations for the Product sold by Terumo. Terumo irrevocably undertakes, that upon termination of this Agreement to waive any right related to the importation of the Product to the Territory after the termination date. In order to do so, Terumo shall within 15 business days, after receiving IceCure's written request, to execute and submit the form as stated in Exhibit 5.1(b) to TFDA to remove its rights on the Importation License or transfer Terumo's rights as on the Importation License to any other party instructed by IceCure. Terumo undertakes to cooperate with IceCure or anyone on its behalf to finalize, if relevant, the removal of Terumo as holder of the Importation License toward the TFDA or transfer Terumo's rights as on the Importation License. In any event, Terumo shall not use or allow other to use the Importation License to import Product in the Territory after the termination or expiration date of this Agreement.

(e) Transition. Subject to the terms of this Agreement (including as otherwise set forth in this Article 12) and subject to IceCure's payment of the consideration provided in Section 12.3(a) above if applicable, Terumo shall use Commercially Reasonable Efforts to cooperate with IceCure and/or its designee to effect a smooth and orderly transition in the registration, sale, marketing, promotion, and commercialization of the Product in the Territory during the applicable notice period under Section 12.2 and following the effective date of termination. Without limiting the foregoing, Terumo shall use Commercially Reasonable Efforts to conduct, in an expeditious manner, any activities to be conducted under this Section 12.3.

12.4 Exercise of Right to Terminate. The use by either Party of a termination right set forth in this Agreement shall not give rise, on its own, to the payment of damages or any other form of compensation or relief to the other Party with respect thereto.

12.5 Damages; Relief. Subject to Sections 10.3, 10.5, 10.6, 12.3(a), 12.3(d) and 12.4, termination of this Agreement shall not preclude either Party from claiming any other damages, compensation, or relief that it may be entitled to upon such termination.

12.6 Accrued Obligations; Survival. The expiration or termination of this Agreement for any reason shall not release either Party from any liability that, at the time of such expiration or termination, has already accrued to such Party or that is attributable to a period prior to such termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement. The following Articles and Sections will survive any expiration or termination of this Agreement: Sections 5.8, 10.2 (d) and (e), 10.3, 10.4, 10.5, 10.6, 12.3, 12.4, 12.5, and 12.6 and Articles 7, 8, 9, 11, 13, and 14.

ARTICLE 13
DISPUTE RESOLUTION

13.1 Objective. The Parties recognize that disputes as to matters arising under or relating to this Agreement or either Party's rights or obligations hereunder (including any claim based on warranty, contract, negligence, misrepresentation, statute, or other basis) may arise from time to time. It is the objective of the Parties to establish procedures to facilitate the resolution of such disputes in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 13 to resolve any such dispute if and when it arises.

13.2 Resolution by Executives. Except as otherwise set forth in Article 4, if an unresolved dispute as to matters arising under or relating to this Agreement or either Party's rights or obligations hereunder arises, either Party may refer such dispute to the respective chief of business unit including distribution of the Product under this Agreement ("***Executive***"), who shall meet in person or by telephone within thirty (30) days after such referral to attempt in good faith to resolve such dispute. If such matter cannot be resolved by discussion of such officers within such thirty (30) day period (as may be extended by mutual written agreement), such dispute shall be resolved in accordance with Section 13.3. The Parties acknowledge that discussions between the Parties to resolve disputes are settlement discussions under applicable rules of evidence and without prejudice to either Party's legal position.

13.3 Arbitration.

(a) Any dispute that is not resolved pursuant to Section 13.2, except for a dispute, claim or controversy subject to Section 13.3(j), shall first be submitted for mediation under the auspices of the International Centre for Dispute Resolution ("***ICDR***") in New York City, New York, U.S.A. Any dispute that is not resolved pursuant to such mediation shall be settled by binding arbitration conducted under the auspices of the ICDR in accordance with its International Arbitration Rules. In the event of a conflict between the procedures set forth herein and the Rules, these procedures shall take precedence.

(b) The dispute shall be heard and decided by a single arbitrator having significant executive experience in the medical device industry.

(c) The arbitrator shall allow the Parties to obtain discovery as may reasonably be requested by a party, including use of interrogatories, document requests, depositions, subpoenas and inspections of things or land.

(d) The arbitration hearing shall be held at a location and time to be mutually agreed upon by the Parties, or if they are unable to decide, then at a location and time determined by the arbitrator(s). The arbitration hearing shall be conducted over the course of consecutive business days and weeks until it is concluded.

(e) All proceedings shall be conducted in the English language and the arbitrator shall be fluent in English. All evidence, whether documentary or testimonial, shall be presented in English. In the event testimony is given by a witness who is unable to testify in English, the party proffering the testimony at the hearing (or obtaining the testimony in a deposition) shall provide a translator and shall bear that expense.

(f) The hearing shall be recorded stenographically and a transcript prepared if requested by either Party. The expense of same shall be borne equally by the Parties. Not less than ten (10) days prior to the hearing, the Parties shall submit briefs to the arbitrator(s) setting forth each Party's contentions concerning the facts and the law. Within thirty (30) days following the close of the hearing, the Parties shall submit post-hearing briefs to the arbitrator. Within thirty (30) days after the timely submission of post-hearing briefs, the arbitrator shall enter a written award concisely setting forth the grounds for the decision.

(g) The arbitrator(s) shall decide the dispute by applying the law selected by the Parties in Section 14.1.

(h) The decision of the arbitrator shall be final and binding and any award rendered thereon may be entered in any court having jurisdiction.

(i) During the pendency of any dispute resolution proceeding between the parties under this Section 13.3, the obligation to make any payment under this Agreement from one party to the other Party, which payment is the subject, in whole or in part, of a proceeding under this Section 13.3, shall be tolled until the final outcome of such dispute has been established. Any payments that are made by one Party to the other Party pursuant to this Agreement pending resolution of the dispute will be promptly refunded if the arbitrator determines pursuant to this Section 13.3 that such payments are to be refunded by one Party to the other Party.

(j) Any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any patents or trademarks shall be submitted to a court of competent jurisdiction in the country in which such patent or trademark rights were granted or arose.

ARTICLE 14
GENERAL PROVISIONS

14.1 Governing Law. This Agreement and all questions regarding its existence, validity, interpretation, breach or performance and any dispute or claim arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, United States, without reference to its conflicts of law principles to the extent those principles would require applying another jurisdiction's laws. The United Nations Conventions on Contracts for the International Sale of Goods shall not be applicable to this Agreement.

14.2 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (other than failure to make payment when due) when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, fire, floods, epidemic, pandemic (including Covid-19), quarantine, civil commotion, , natural catastrophes, governmental acts or omissions, changes in laws or regulations, national strikes, or other acts of God, or acts, omissions or delays in acting by any governmental authority or the other Party. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practicable, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and *provided* that the Party has not caused such event(s) to occur. In the event any such force majeure circumstances continue for more than ninety (90) days, such other Party shall have the right to terminate this Agreement pursuant to Section 12.2(b). If after the Effective Date, the state of the Covid-19 pandemic would be preventing either Party from performance of its obligations under this Agreement, such condition will be recognized as a force majeure event.

14.3 Assignment. Except as expressly set forth in this Section 14.3, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld; *provided, however*, that either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent:

(a) in connection with the transfer or sale of all or substantially all of the business of the assigning Party relating to the Product to a Third Party, with all Patents and Know-How necessary to commercialize the Product as contemplated under this Agreement, whether by merger, sale of stock, sale or contribution of assets or otherwise; or

(b) to an Affiliate; *provided* that, unless otherwise agreed differently by the Parties, the assigning Party shall remain liable and responsible to the non-assigning Party for the performance and observance of all such duties and obligations by such Affiliate.

This Agreement shall be binding upon successors and permitted assigns of the Parties. Any assignment not in accordance with this Section 14.3 will be null and void.

14.4 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

14.5 Notices. All notices required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile or email (and promptly confirmed by personal delivery, registered or certified mail or overnight courier or confirmatory email by recipient), sent by internationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to IceCure, addressed to:

Haeshel 7, Caesarea, 3079504, Israel
Attention: Eyal Shamir - CEO
Email: eyals@icecure-medical.com

If to Terumo, addressed to:

Terumo (Thailand) Company Limited
No.88 The PARQ Building, Unit 8W9-16, 8th Floor,
Ratchadaphisek Road, Klongtoey Subdistrict,
Klongtoey District, Bangkok 10110, Thailand
Attention: Managing Director
Email: Panapon_Chantakulchai@terumo.co.jp

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by email on a Business Day; (b) on the Business Day after dispatch if sent by internationally recognized overnight courier; and (c) on the third Business Day following the date of mailing if sent by mail.

14.6 Entire Agreement; Amendments. This Agreement, LOI, together with the exhibits hereto and thereto, contains the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersedes and cancels all previous express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof and thereof. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties, but "written instrument" does not include the text of e-mails or similar electronic transmissions. For clarity, both Parties agree to continue biding with the provisions under LOI and such LOI shall be considered as a partial of this Distribution Agreement. In the event that there is any terms and/or conditions under LOI that conflict to this Distribution Agreement, the terms and conditions under this Distribution Agreement shall prevail.

14.7 Headings. The captions to the several Articles and Sections hereof are not a part of this Agreement but are merely for convenience to assist in locating and reading the several Sections hereof.

14.8 Independent Contractors. It is expressly agreed that IceCure and Terumo shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither IceCure nor Terumo shall have the authority to make any statements, representations or commitments of any kind or to take any action that shall be binding on the other Party, without the prior written consent of the other Party.

14.9 Waiver. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

14.10 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

14.11 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

14.12 Interpretation. All references in this Agreement to an Article or Section shall refer to an Article or Section in or to this Agreement, unless otherwise stated. Any reference to any federal, national, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" and similar words means including without limitation. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. All references to days, months, quarters or years are references to calendar days, calendar months, calendar quarters, or calendar years, unless stated otherwise. References to the singular include the plural.

14.13 No Third Party Beneficiaries. This Agreement is neither expressly nor impliedly made for the benefit of any Party other than IceCure and Terumo, except as otherwise set forth in this Agreement with respect to IceCure Indemnitees under Section 11.1 and Terumo Indemnitees under Section 11.2. This Agreement may be terminated, varied or amended in accordance with its terms or with the agreement of Terumo and IceCure without the consent of the IceCure Indemnitees or Terumo Indemnitees.

14.14 English Language. This Agreement is in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given under this Agreement, and all written, electronic, oral or other communications between the Parties, including any information provided by a Third Party regarding this Agreement, shall be in the English language.

14.15 Counterparts. This Agreement shall be executed into 2 copies and to be signed by the authorized persons of each Party and affix the company seal (if any), each of which shall be deemed to be an original as against any party whose signature appears thereon, all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

In Witness Whereof, the Parties have executed this Distribution Agreement as of the Effective Date.

IceCure Medical Ltd.

By: /s / Eyal Shamir
Name: Eyal Shamir
Title: CEO

By: /s/ Ron Mayron
Name: Ron Mayron
Title: Chairman of the Board of Directors

Terumo (Thailand) Company Limited

By: /s/ Panapon Chantakulchai
Name: Panapon Chantakulchai
Title: Managing Director

By: /s/ Hirota Tooru
Name: Hirota Tooru
Title: Director & Admin Manager

Exhibit 1.36

PRODUCT SPECIFICATION

The Parties will mutually discuss and determine the criteria and standards of testing contemplated in Section 6.3(i) and 6.3 (j) before delivery of any Product (other than the Initial Order).

SYSTEM SPECIFICATIONS

Physical properties	Dimensions (excluding the screen) Weight	[**]
Electrical requirements		[**]
Operating pressure	Pressure range	[**]
Cryogen	Liquid Nitrogen	[**]
Environmental conditions Temperatures:	Operating	[**]
	Transportation and Storage	[**]
Relative Humidity:	Operating	[**]
	Transportation and Storage	[**]
Atmospheric pressure:	Operating	[**]
	Transportation and Storage	[**]
		[**]

Cryoprobe product specifications

The packed cryoprobes shall be stored in a dry, cool, well-ventilated and clean environment without corrosive gas.

In general, IceCure's Cryoprobes are available in various diameters (2.4mm to 3.4mm), various ice ball shapes, various tips) and various lengths according to the expected application, treated tumor size and surgery approach.

Range temperature: -196☐ C to +40☐ C
Needle diameter: 2.4mm (13G) or 3.4mm (10G)
Certain configurations are not available in some regions.

Manufacturer's Declaration of the EUT as written in our user manual

Guidance and manufacturer's declaration-electromagnetic emission- for all EQUIPMENT AND SYSTEMS

1	Guidance and manufacturer's declaration-electromagnetic emission		
2	The model ProSense™ Cryotherapy product is intended for use in the electromagnetic environment specified below. The customer or the user of the model ProSense™ Cryotherapy product should ensure that it is used in such an environment.		
3	Emissions test	Compliance	Electromagnetic environment - guidance
4	RF emissions CISPR 11	Group 1	[**]
5	RF emissions CISPR 11	Class B	
6	Harmonic emissions EN 61000-3-2	Class A	

7	Voltage fluctuations / flicker emissions EN 61000-3-3	Complies	

Guidance and manufacturer's declaration-electromagnetic immunity- for EQUIPMENT and SYSTEM that are not LIFE-SUPPORTING

Guidance and manufacturer's declaration-electromagnetic immunity			
The model ProSense™ Cryotherapy product is intended for use in the electromagnetic environment specified below. The customer or the user of the model ProSense™ Cryotherapy product should ensure that it is used in such an environment.			
Immunity test	**IEC 60601 test level**	**Compliance level**	**Electromagnetic environment- guidance**
Conducted RF EN 61000-4-6 Radiated RF EN 61000-4-3	3 Vrms 150 kHz to 80 MHz 3 V/m 80 MHz to 2,5 GHz	3 V 3 V/m	[**] $d = [\frac{3,5}{V_1}]\sqrt{P}$ [**] $d = [\frac{3,5}{E_1}]\sqrt{P}$ 80 MHz to 800 MHz $d = [\frac{7}{E_1}]\sqrt{P}$ 800 MHz to 2,5 GHz [**]
NOTE 1[**] NOTE 2 These guidelines may not apply in all situations. Electromagnetic is affected by absorption and reflection from structures, objects and people.			
a Field strengths from fixed transmitters, such as base stations for radio (cellular/cordless) telephones and land mobile radios, amateur radio, AM and FM radio broadcast and TV broadcast cannot be predicted theoretically with accuracy. To assess the electromagnetic environment due to fixed RF transmitters, an electromagnetic site survey should be considered. If the measured field strength in the location in which the model ProSense™ Cryotherapy product is used exceeds the applicable RF compliance level above, The model ProSense™ Cryotherapy product should be observed to verify normal operation. If abnormal performance is observed, additional measures may be necessary, such as reorienting or relocating the model ProSense™ Cryotherapy product. *b* [**]			

Recommended separation distances between portable and mobile RF communications equipment and the EQUIPMENT or SYSTEM- for EQUIPMENT and SYSTEMS that are not LIFE-SUPPORTING

Recommended separation distances between portable and mobile RF communications equipment and the model ProSense™ Cryotherapy product			
The model ProSense™ Cryotherapy product is intended for use in an electromagnetic environment in which radiated RF disturbances are controlled. The customer or the user of the model ProSense™ Cryotherapy product can help prevent electromagnetic interference by maintaining a minimum distance between portable and mobile RF communications equipment (transmitters) and the model ProSense™ Cryotherapy product as recommended below, according to the maximum output power of the communications equipment.			
Rated maximum output of transmitter W	Separation distance according to frequency of transmitter m $d = [\frac{3,5}{V_1}]\sqrt{P}$ [**]	$d = [\frac{3,5}{E_1}]\sqrt{P}$ [**]	$d = [\frac{7}{E_1}]\sqrt{P}$ [**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
For transmitters rated at a maximum output power not listed above the recommended separation distance d in meters (m) can be estimated using the equation applicable to the frequency of the transmitter, where P is the maximum output power rating of the transmitter in watts (W) according to the transmitter manufacturer. NOTE [**] NOTE 2 These guidelines may not apply in all situations. Electromagnetic propagation is affected by absorption and reflection from structures, objects and people.			

Exhibit 5.1(a)
Regulatory Approvals

แบบ บ.น.ท 1

รับรองบางส่วน
หนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์
สำนักงานคณะกรรมการอาหารและยา
กระทรวงสาธารณสุข

หนังสือเลขที่ ISR 6205964

28 สิงหาคม 2562

ได้พิจารณาหนังสือรับรองการขาย/หนังสือรับรองการขายและหนังสือรับรองระบบคุณภาพการผลิตแล้ว ถูกต้องตามประกาศกระทรวงสาธารณสุข (ฉบับที่ 34) พ.ศ. 2549 แห่งพระราชบัญญัติเครื่องมือแพทย์ พ.ศ. 2531

ชื่อผู้นำเข้า : **บริษัท เอเชีย แอดซวล (ประเทศไทย) จำกัด**

ชื่อผู้ผลิต : ICECURE MEDICAL LTD (ISRAEL)

ผู้ผลิตเพิ่มเติมตามแนบท้าย

หนังสือฉบับนี้ใช้ประกอบกับ ☑ หนังสือรับรองการขายเลขที่

ประเทศ State of Israel

☐ หนังสือรับรองระบบคุณภาพการผลิตเลขที่

สามารถใช้ประกอบการนำเข้าเครื่องมือแพทย์จนถึงวันที่ **17 มิถุนายน 2564**

(นางสาวสินีนาฏ สีสรรค์)
เภสัชกรชำนาญการ
ผู้ซึ่งเลขาธิการคณะกรรมการอาหารและยามอบหมาย

เงื่อนไข

1.เมื่อปรากฏว่าประเทศผู้ผลิตหรือประเทศเจ้าของผลิตภัณฑ์ห้ามขาย หรือมีการยกเลิกการรับรองระบบคุณภาพการผลิตของเครื่องมือแพทย์รายการใดตามที่ระบุไว้ในหนังสือรับรองฉบับนี้ ให้ถือว่าการรับรองเครื่องมือแพทย์ดังกล่าวเป็นอันยกเลิก

2. ห้ามนำเลขที่หนังสือไปประกาศโฆษณา

3. ห้ามโฆษณาว่าได้ผ่านการรับรองจากสำนักงานคณะกรรมการอาหารและยา

4. ห้ามโฆษณาเครื่องมือแพทย์ก่อนได้รับความเห็นชอบจากสำนักงานคณะกรรมการอาหารและยา

5. สำนักงานคณะกรรมการอาหารและยา ขอสงวนสิทธิ์ที่จะยกเลิก/เพิกถอนหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ฉบับนี้ หากผู้นำเข้าไม่ดำเนินการให้เป็นไปตามกฎกระทรวงกำหนดหลักเกณฑ์วิธีการ และเงื่อนไข การจดทะเบียนสถานประกอบการนำเข้าเครื่องมือแพทย์ ที่ออกตามพระราชบัญญัติเครื่องมือแพทย์ พ.ศ. 2551 เมื่อกฎกระทรวงดังกล่าวมีผลบังคับใช้แล้ว

หมายเหตุเพิ่มเติม

ข้อมูลที่ผู้ประกอบการบันทึกเข้ามาทั้งหมดถือเป็นความรับผิดชอบของผู้ประกอบการ

รูปแบบท้ายหนังสือเลขที่ ISR 6205964

เลขที่หนังสือรับรองระบบคุณภาพการผลิต

ชื่อผู้ผลิต ICECURE MEDICAL LTD (ISRAEL)	**ประเทศ** State of Israel
ชื่อผู้ผลิต GLOBUS INTERNATIONAL LTD. (ISRAEL)	**ประเทศ** State of Israel
ชื่อผู้ผลิต IEI (TAIWAN)	**ประเทศ** Taiwan R.O.C.
ชื่อผู้ผลิต AVALUE (TAIWAN)	**ประเทศ** Taiwan R.O.C.
ชื่อผู้ผลิต ERGOTRON (NETHERLANDS)	**ประเทศ** Kingdom of the Netherlands
ชื่อผู้ผลิต FELLER GMBH (AUSTRIA)	**ประเทศ** Republic of Austria
ชื่อผู้ผลิต ROLLING CASES S.M. LTD (ISRAEL)	**ประเทศ** State of Israel
ชื่อผู้ผลิต HERGA ELECTRIC LTD (UNITED KINGDOM)	**ประเทศ** United Kingdom of Great Britain and Northern Ireland
ชื่อผู้ผลิต INTERNATIONL CRYOGENICS (USA)	**ประเทศ** United States of America
ชื่อผู้ผลิต ANATECH SCIENTISIC (CHINA)	**ประเทศ** People's Republic of China
ชื่อผู้ผลิต TEMPSHIELD (USA)	**ประเทศ** United States of America

สำนักงานคณะกรรมการอาหารและยา กองควบคุมเครื่องมือแพทย์
รายการนำเข้าผลิตภัณฑ์เครื่องมือแพทย์ ตามหนังสือรับรองเลขที่ ISR 6205964
วันที่อนุมัติ 28/8/2562 วันที่หมดอายุ 17/6/2564

ความหมายของรหัส Owner

1	รหัส	39813	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ ICECURE MEDICAL LTD (ISRAEL)	ประเทศ	Israel

ความหมายของรหัส manucd

1	รหัส	39813	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ ICECURE MEDICAL LTD (ISRAEL)	ประเทศ	Israel
2	รหัส	39814	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ GLOBUS INTERNATIONAL LTD. (ISRAEL)	ประเทศ	Israel
3	รหัส	39815	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ IEI (TAIWAN)	ประเทศ	Taiwan
4	รหัส	39816	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ AVALUE (TAIWAN)	ประเทศ	Taiwan
5	รหัส	39817	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ ERGOTRON (NETHERLANDS)	ประเทศ	Netherlands
6	รหัส	39818	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ FELLER GMBH (AUSTRIA)	ประเทศ	Austria
7	รหัส	39819	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ ROLLING CASES S.M. LTD (ISRAEL)	ประเทศ	Israel
8	รหัส	39820	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ HERGA ELECTRIC LTD (UNITED KINGDOM)	ประเทศ	United Kingdom
9	รหัส	39827	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ INTERNATIONL CRYOGENICS (USA)	ประเทศ	United States of America
10	รหัส	39828	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ ANATECH SCIENTISIC (CHINA)	ประเทศ	China
11	รหัส	39829	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ TEMPSHIELD (USA)	ประเทศ	United States of America
12	รหัส	39830	ชื่อเจ้าของ/ผู้ผลิตต่างประเทศ DAGGER SCIENTISIC (USA)	ประเทศ	United States of America

Owner	manucd	gmpno	catno	offname	pdtname	desc	pageno	umdn	gmdn	RefItemNo
39813	39813		FAS3000000	IceSense3/PROSENSE System		IceSense3/PROSENSE™ SYSTEM 100-127 VAC	3	18051		6239813000036
39813	39813		FAS3100000	IceSense3/PROSENSE System		IceSense3/PROSENSE™ SYSTEM 220-240 VAC	3	18051		6239813000037
39813	39813		FAP7000000	Cryoprobes		Cryoprobes Family	3	18051		6239813000038
39813	39813		FAP7100000	Cryoprobes		Cryoprobes 127 mm,10G, SPHERICAL	3	18051		6239813000039

สำนักงานคณะกรรมการอาหารและยา กองควบคุมเครื่องมือแพทย์
รายการนำเข้าผลิตภัณฑ์เครื่องมือแพทย์ ตามหนังสือรับรองเลขที่ ISR 6205964
วันที่อนุมัติ 28/8/2562 วันที่หมดอายุ 17/6/2564

Owner	manucd	gmpno	catno	offname	pdtname	desc	pageno	umdn	gmdn	RefItemNo
39813	39813		FAP7200000	Cryoprobes		Cryoprobes 140 mm,10G, ELLIPTIC	3	18051		6239813000040
39813	39813		FAP7300000	Cryoprobes		Cryoprobes 172 mm,10G, SPHERICAL	3	18051		6239813000041
39813	39813		FAP7400000	Cryoprobes		Cryoprobes 185 mm,10G, Size 13	3	18051		6239813000042
39813	39813		FAP7410000	Cryoprobes		Cryoprobes 185 mm,10G, ELLIPTIC	3	18051		6239813000043
39813	39813		FAP7910000	Cryoprobes		Cryoprobes 285 mm,10G , ELLIPTIC	3	18051		6239813000044
39813	39813		FAP7500000	Cryoprobes		Cryoprobes 393 mm,10G, SPHERICAL	3	18051		6239813000045
39813	39813		FAP7600000	Cryoprobes		Cryoprobes 124 mm,13G, SPHERICAL	3	18051		6239813000046
39813	39813		FAP7800000	Cryoprobes		Cryoprobes 134 mm,13G, ELLIPTIC	3	18051		6239813000047
39813	39813		FAP7840000	Cryoprobes		Cryoprobes 170 mm, 13G,SPHERICAL	3	18051		6239813000048
39813	39813		FAP7820000	Cryoprobes		Cryoprobes 180 mm, 13G, ELLIPTIC	3	18051		6239813000049
39813	39813		FAC9000000	Introducers		Introducer D2.5 mm, 115 mm, Trocar.	3	12727		6239813000050
39813	39813		FAC9100000	Introducers		Introducer D3.5 mm, 122 mm, Trocar.	3	12727		6239813000051

สำนักงานคณะกรรมการอาหารและยา กองควบคุมเครื่องมือแพทย์
รายการนำเข้าผลิตภัณฑ์เครื่องมือแพทย์ ตามหนังสือรับรองเลขที่ ISR 6205964
วันที่อนุมัติ 28/8/2562 วันที่หมดอายุ 17/6/2564

Owner	manucd	gmpno	catno	offname	pdtname	desc	pageno	umdn	gmdn	RefItemNo
39813	39813		FAC9200000	Introducers		Introducer D3.5 mm, 167 mm, Trocar.	3	12727		6239813000052
39813	39813		FAC9300000	Introducers		Introducer D2.5 mm, 160 mm, Trocar.	3	12727		6239813000053
39813	39813		FAC9400000	Introducers		Introducer D2.5 mm, 150 mm, Trocar.	3	12727		6239813000054
39813	39813		FAT8000000	Temperature sensors		Temperature sensors ,170 mm, 14G	3	18051		6239813000055
39813	39813		FAG3000000	Holder		Holder	3	18051		6239813000056
39813	39813		PMT1000103	Cryogenic Equipment		Cryogenic Equipment	3	18051		6239813000057
39813	39813		PMT1000003	Cryogenic Equipment		Cryogenic Equipment	3	18051		6239813000058
39813	39813		PPA1000001	Cryogenic Equipment		Cryogenic Equipment	3	18051		6239813000059
39813	39813		PPA1000002	Cryogenic Equipment		ROLLER BASE FOR DEWAR	3	18051		6239813000060
39813	39813		PPA1000003	Cryogenic Equipment		HAND PUMP	3	18051		6239813000061
39813	39813		UCT1000019	Cryogenic Equipment		CRYO-GLOVES MID-ARM LENGTH, LARGE, WATERPROOF,PAIR	3	18051		6239813000062
39813	39813		UCT1000020	Cryogenic Equipment		FACE SHIELD UP TO LN2 PROTECTION	3	18051		6239813000063
39813	39813		PMT1000105	THERMOS DEWAR		THERMOS DEWAR	7	18051		6239813000064
39813	39813		DSR3210000	PROSENSE 220V USER MANUAL		PROSENSE 220V USER MANUAL	7	18051		6239813000065

สำนักงานคณะกรรมการอาหารและยา กองควบคุมเครื่องมือแพทย์
รายการนำเข้าผลิตภัณฑ์เครื่องมือแพทย์ ตามหนังสือรับรองเลขที่ ISR 6205964
วันที่อนุมัติ 28/8/2562 วันที่หมดอายุ 17/6/2564

Owner	manucd	gmpno	catno	offname	pdtname	desc	pageno	umdn	gmdn	RefItemNo
39813	39813		DSR3200000	PROSENSE 100V-127V USER MANUAL		PROSENSE 100V-127V USER MANUAL	7	18051		6239813000066
39813	39813		DKB3000002	MARKETING MATERIAL 1		MARKETING MATERIAL 1	7	18051		6239813000067
39813	39813		DKB3000220-2	MARKETING MATERIAL 2		MARKETING MATERIAL 2	7	18051		6239813000068
39813	39813		DKB3000213	BHO Case Study		BHO Case Study	7	18051		6239813000069
39813	39813		PMT1000103	Cryogenic Equipment		Cryogenic Equipment	13	18051		6239813000070
39813	39814		MMX3000002	Icesense3 Crate		Icesense3 Crate	6	18051		6239814000002
39813	39815		PEN1000001	Panel PC		Panel PC	6	18051		6239815000003
39813	39815		ARL-15A(E)N270	Panel PC		Panel PC	6	18051		6239815000004
39813	39816		PEN1000021	Panel PC 15" -ROHSATX MODE		Panel PC 15" -ROHSATX MODE	6	18051		6239816000005
39813	39816		PPC-1529-190A2-05R	Panel PC 15" -ROHSATX MODE		Panel PC 15" -ROHSATX MODE	6	18051		6239816000006
39813	39816		PEP1000007	FSPO60-DBAE1-For Panel PC PEN1000021		FSPO60-DBAE1-For Panel PC PEN1000021	6	18051		6239816000007
39813	39816		FSPO60-DBAE1	FSPO60-DBAE1-For Panel PC PEN1000021		FSPO60-DBAE1-For Panel PC PEN1000021	6	18051		6239816000008
39813	39817		PMA1000001	LCD MONITOR ARM		LCD MONITOR ARM	6	18051		6239817000003
39813	39817		E-45-235-194	LCD MONITOR ARM		LCD MONITOR ARM	6	18051		6239817000004

Owner	manucd	gmpno	catno	offname	pdtname	desc	pageno	umdn	gmdn	RefItemNo
39813	39818		PEW1000034	POWER CORD,EUROPEAN 10 AMP 250V C13 L2.5M		POWER CORD,EUROPEAN 10 AMP 250V C13 L2.5M	6	18051		6239818000003
39813	39818		VIG-H05VVF3G1,C 13 2,50m Black	POWER CORD,EUROPEAN 10 AMP 250V C13 L2.5M		POWER CORD,EUROPEAN 10 AMP 250V C13 L2.5M	6	18051		6239818000004
39813	39819		MMP3020001	DEWAR PLUG		DEWAR PLUG	7	18051		6239819000002
39813	39820		PES1000003	PNEUMATIC FOOT SWITCH		PNEUMATIC FOOT SWITCH	7	18051		6239820000003
39813	39820		6210-3958-1	PNEUMATIC FOOT SWITCH		PNEUMATIC FOOT SWITCH	7	18051		6239820000004
39813	39827		PMT1000003	DEWAR FOR LIQUID NITROGEN		Cryogenic Equipment	13	18051		6239827000004
39813	39827		PPA1000001	LIQUID NITROGEN WITHDRAWAL DEVICE		Cryogenic Equipment	13	18051		6239827000005
39813	39827		PPA1000002	ROLLER BASE FOR DEWAR		ROLLER BASE FOR DEWAR	14	18051		6239827000006
39813	39828		PPA1000003	HAND PUMP		HAND PUMP FOR IMMEDIATE PRESSURE	14	18051		6239828000002
39813	39829		UCT1000019	CRYO-GLOVES MID-ARM LENGTH, LARGE, WATERPROOF,PAIR		CRYO-GLOVES MID-ARM LENGTH, LARGE, WATERPROOF,PAIR	14	18051		6239829000002

Exhibit 5.1(b)
Removal Form By Asia Actual and/or By Terumo Thailand

(หัวกระดาษชื่อนิติบุคคล)

เขียนที่.....

วันที่ ..... เดือน.....พ.ศ. .....

เรียน ผู้อำนวยการกองควบคุมเครื่องมือแพทย์

เรื่อง ขอยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์

สิ่งที่ส่งมาด้วย 1. หนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ที่ได้รับอนุญาต เลขที่ XXX 0000000 (ตัวจริง)

2. คำรับรองการขอยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์

3. หนังสือมอบอำนาจกรณีขอยกเลิกพร้อมสำเนาเอกสารที่เกี่ยวข้องกับการมอบอำนาจ

ข้าพเจ้า ..... เป็นผู้ดำเนินกิจการของสถานประกอบการนำเข้าเครื่องมือแพทย์ ชื่อ .....

ทะเบียนนิติบุคคลเลขที่ ... (13 หลัก)..... เลขที่ใบจดทะเบียนสถานประกอบการ สน. .....
ตั้งอยู่เลขที่ .....

ได้ตรวจสอบฐานข้อมูลผลิตภัณฑ์ในระบบสารสนเทศแล้ว พบว่าบริษัท ฯ ได้ลงข้อมูลไม่ถูกต้อง และไม่ครบถ้วนตรงตามข้อมูลในหนังสือรับรองการขาย ทำให้ไม่สามารถนำข้อมูลไปใช้ในการยื่นขอนำเข้าได้ จึงยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ หนังสือเลขที่ .....
ลงวันที่ ..... พร้อมทั้งได้แนบคืนหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ **(ตามสิ่งที่ส่งมาด้วย 1)** และแนบคำรับรองการขอยกเลิกหนังสือ ฯ ฉบับดังกล่าว ให้กับสำนักงานคณะกรรมการอาหารและยา โดยขอรับหนังสือรับรองการขายที่ใช้ในการยื่นขอหนังสือรับรองประกอบการนำเข้า ฯ เลขที่ ..... ลงวันที่ ..... ที่ออกจากประเทศ ..... เพื่อนำไปใช้ประกอบการยื่นคำขอใหม่ในลำดับต่อไป

ทั้งนี้ ข้าพเจ้าได้มอบอำนาจให้กับ .....
เป็นผู้รับมอบอำนาจกระทำการใด ๆ แทนข้าพเจ้าในการยื่นหนังสือฯ ฉบับนี้

จึงเรียนมาเพื่อโปรดพิจารณาดำเนินการด้วย จะเป็นพระคุณ

ลงชื่อ ..... **ผู้ดำเนินกิจการ**

(.....)

มอบ กลุ่มงานกำกับดูแลก่อนออกสู่ตลาด 4

ชื่อผู้ติดต่อประสานงาน เบอร์โทร. xxx xxxxxxx

คำรับรองการขอยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์

เขียนที่.....

วันที่ ..... เดือน.....พ.ศ. .....

โดยคำรับรองนี้ ข้าพเจ้า .....

บัตรประจำตัวประชาชนเลขที่ ..... เป็นผู้ดำเนินกิจการ
ของสถานประกอบการนำเข้าเครื่องมือแพทย์ ชื่อ .....

เลขที่ใบจดทะเบียนสถานประกอบการ สน...../..... ตั้งอยู่เลขที่ ..... หมู่ที่.....
ถนน..... ตรอก/ซอย.....
แขวง/ตำบล ..... เขต/อำเภอ.....

จังหวัด ..... รหัสไปรษณีย์.....
โทรศัพท์ติดต่อ.....โทรศัพท์มือถือ .....
Email.....

ขอให้คำรับรองกับสำนักงานคณะกรรมการอาหารและยา ดังต่อไปนี้

ข้อ ๑. ข้าพเจ้าขอยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ หนังสือเลขที่ .....
..... ลงวันที่ ..... เนื่องจาก .....
.....
.....

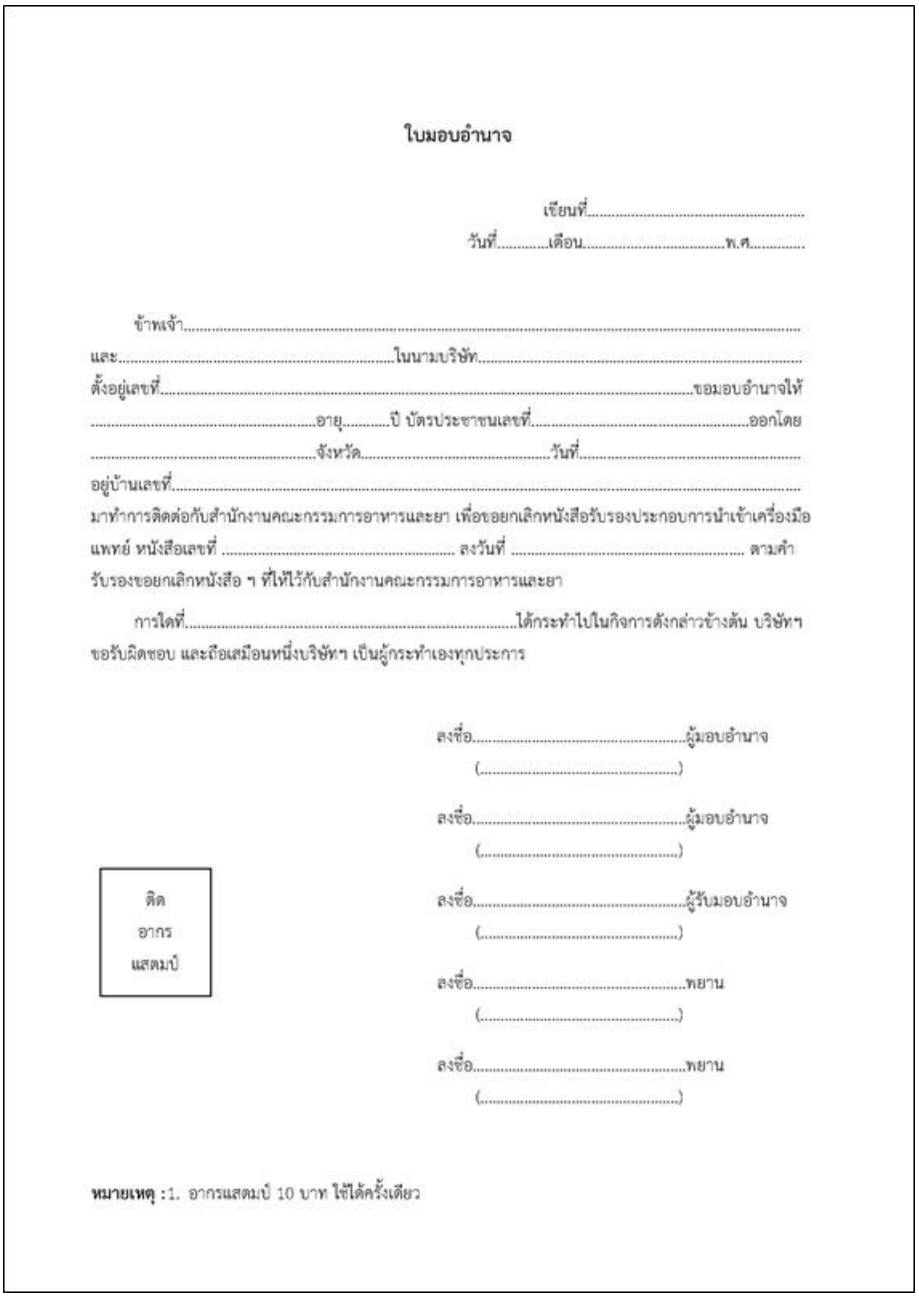
ข้อ ๒. ข้าพเจ้าขอรับรองว่า ข้าพเจ้าได้ส่งคืนหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ ตามข้อ ๑. ให้กับสำนักงานคณะกรรมการอาหารและยา และรับรองว่าจะไม่นำไปใช้ประโยชน์หรืออ้างอิงใดๆ ในการทำธุรกรรมอันเนื่องจากหนังสือรับรอง ฯ ฉบับดังกล่าว

ข้อ ๓. ข้าพเจ้าได้รับหนังสือรับรองการขาย เลขที่ .....
ลงวันที่..... ที่ออกจากประเทศ .....
ที่ใช้ในการออกหนังสือรับรองประกอบการนำเข้า ฯ ตามข้อ ๑. จากสำนักงานคณะกรรมการอาหารและยาแล้ว เพื่อใช้ในการยื่นคำขอใหม่ ต่อไป

ข้าพเจ้าได้อ่านคำรับรองนี้โดยตลอดด้วยความเข้าใจชัดเจน จึงลงลายมือชื่อไว้ต่อหน้าพยาน

ลงชื่อ ..... **ผู้ดำเนินกิจการ**
(.....)
ลงชื่อ ..... **พยาน**
(.....)
ลงชื่อ ..... **พยาน**
(.....)

-ตัวอย่างหนังสือมอบอำนาจ-



ใบมอบอำนาจ

เขียนที่.....

วันที่.....เดือน.....พ.ศ.....

ข้าพเจ้า.....

และ.....ในนามบริษัท.....

ตั้งอยู่เลขที่.....ขอมอบอำนาจให้

.....อายุ.....ปี บัตรประชาชนเลขที่.....ออกโดย

.....จังหวัด.....วันที่.....

อยู่บ้านเลขที่.....

มาทำการติดต่อกับสำนักงานคณะกรรมการอาหารและยา เพื่อขอยกเลิกหนังสือรับรองประกอบการนำเข้าเครื่องมือแพทย์ หนังสือเลขที่ ..... ลงวันที่ ..... ตามคำรับรองขอยกเลิกหนังสือ ฯ ที่ให้ไว้กับสำนักงานคณะกรรมการอาหารและยา

การใดที่.....ได้กระทำไปในกิจการดังกล่าวข้างต้น บริษัทฯ ขอรับผิดชอบ และถือเสมือนหนึ่งบริษัทฯ เป็นผู้กระทำเองทุกประการ

ลงชื่อ.....ผู้มอบอำนาจ

(.....)

ลงชื่อ.....ผู้มอบอำนาจ

(.....)

ติด อากร แสตมป์

ลงชื่อ.....ผู้รับมอบอำนาจ

(.....)

ลงชื่อ.....พยาน

(.....)

ลงชื่อ.....พยาน

(.....)

หมายเหตุ :1. อากรแสตมป์ 10 บาท ใช้ได้ครั้งเดียว

Exhibit 6.3
PRODUCT PRICE

1. Prices for Initial Order, upon execution of Distribution Agreement:

Three hundred twenty-nine thousand (329,000) USD (ex-works) for [**] Consoles and [**] pieces of the Probes.

IceCure shall be entitled to issue invoice of the Initial Order, for one hundred sixty-four thousand and five hundred (164,500) USD on the date of the order, and the invoice for remaining one hundred sixty-four thousand and five hundred (164,500) USD of the Initial Order shall be issued upon Delivery of all of the Products for the Initial Order.

2. Prices of the Products other than for Initial Order and Payment Term

(A) Prices of a Console and Payment Term

a) The price per console of the first forty (40) consoles (including the first three (3) consoles for Initial Order) will be [**](the price is per console is regarding the existing Product as of the Effective Date; with respect to Console that includes improvements and/or next generation thereof the price will be mutually agreed by the Parties).

b) For the Consoles subsequent to the aforementioned 40 sets of Consoles: To be mutually discussed and agreed by the Parties, provided that if the Parties do not reach agreement within thirty (30) days from the commencement of such discussion, [**] will be the price of a Console subsequent to said 40 sets of Consoles.

IceCure shall be entitled to issue invoice of an order, for fifty (50%) percent of the Product Price of the Consoles on the date of the Purchase Order, and the invoice for remaining 50% of the Product Price of the Consoles shall be issued upon Delivery of the applicable Purchase Order.

(B) Prices of a Probe

a) The price per probe of the first four thousand two hundred and sixty (4,260) probes will be at [**]USD.

b) For the Probes subsequent to said 4,260 pcs of Probes: To be mutually discussed and agreed by the Parties, provided that if the Parties do not reach agreement within thirty (30) days from the commencement of such discussion, [**] will be the price of a Probe subsequent to said 4,260 pcs of Probes.

IceCure shall be entitled to issue invoice of an order for the Probes upon Delivery of the Probes.

If THB to USD rate as of the end of each Calendar Half Year (a period of six (6) consecutive months during a Calendar Year beginning on and including January 1st and July 1st) has increased or decreased by more than ten percent (10%) compared to the rate on the Effective Date, all of the aforementioned prices will be adjusted (upward or downward) by the below formulae starting from the next Calendar Half Year so that the change to Product Price on THB basis exceeding ten percent (10%) is halved (USD rounded off to the second decimal place).

Acronyms:

- OP (Original Price): price provided on Exhibit 6.3 in USD
- BCR (Baseline Currency Rate) : the USD to THB rate on the Effective Date
- ACR (Adjustment Currency Rate) : the USD to THB rate on the last day of each Calendar Half Year

In case ACR is greater than 110% of BCR,

$$\text{Adjusted Amount} = OP \times \left(1 - \frac{(ACR - BCR \times 1.1)}{BCR} \times 0.5\right)$$

In case ACR is smaller than 90% of BCR,

$$\text{Adjusted Amount} = OP \times \left(1 + \frac{(BCR \times 0.9 - ACR)}{BCR} \times 0.5\right)$$

The results of these formulae shall be rounded off to two decimal places.

As an example, if BCR is 30.75 and ACR on Dec 31, 2021 is 35.75, the Product Price for a Probe will be adjusted from Jan 1, 2022 onwards to the following price.

$$[**] \times \frac{(1 - (35.75 - 30.75 \times 1.1) \times 0.5)}{30.75}$$

$= [**] \times (1- (35.75-33.825)/30.75 \times 0.5) = [**]$

As another example, if BCR is 30.75 and ACR on Dec 31, 2021 is 25.75, the Product Price for a Probe will be adjusted from Jan 1, 2021 onwards to the following price.

$$[**] \times \frac{(1 + (30.75 \times 0.9 - 25.75) \times 0.5)}{30.75}$$

$= [**] \times (1+ (27.675-25.75)/30.75 \times 0.5) = [**]$

Exhibit 6.4
Minimum Purchase Amounts

(A) From the period during the Initial Term commencing upon signing this Distribution Agreement (*"**MPA Commencement Date**"*), subject to this Exhibit 6.4(C) and (D), below, Terumo shall purchase from IceCure at least the following amounts during the respective period set forth in this Exhibit 6.4(A) below (***"Minimum Purchase Amount"*** or ***"MPA"***):

Initial Term: As shown below.

Item/Year	MPA 2021 (Effective Date – 31 Mar 2022)	MPA 2022 (1 Apr 2022 – 31 Mar 2023)	MPA 2023 (1 Apr 2023 – 31 Mar 2024)	MPA 2024 (1 Apr 2024 – 31 Mar 2025)	MPA 2025 (1 Apr 2025 – 31 Mar 2026)	MPA 2026 (1 Apr 2026 – 31 Dec 2026)
Console	[**]	[**]	[**]	[**]	[**]	[**]
Probe	[**]	[**]	[**]	[**]	[**]	[**]

For the avoidance of doubt, it is clarified between the Parties that:

- MPA shall be achieved every fiscal year by Terumo Thailand by making one or several orders to IceCure. Unless otherwise agreed between the Parties, Terumo may not retroactively impute an order to the previous fiscal year in order to reach a MPA which has not met the terms described in the above table de

Renewal Term: To be mutually discussed in good faith and agreed by the Parties during the Initial Term.

(B) Any amounts of Product that Terumo is not able to purchase from IceCure due to the following (i) through (ii), below, shall be deducted from the applicable amounts set forth in this Exhibit 6.4(A) above:

(i) Force Majeure Event;

(ii) IceCure's failure to supply the Product to Terumo in a timely fashion pursuant to the Forecast; or

(C) If Terumo fails to purchase (i) 100 % for Consoles; and (ii) 100 % for Probes respectively, of the Minimum Purchase Amount for each period set forth in this Exhibit 6.4 (A) (***"Failure of Full MPA"***), Terumo will lose its exclusive right to distribute the Products, and such Terumo's distribution right will be non-exclusive upon the receipt of written notice of IceCure, without incurring liability to Terumo if IceCure notifies Terumo of such termination of exclusivity within hundred and twenty (120) days after applicable MPA Year and at least 30 days prior to the intended date of termination of exclusivity. The Failure of Full MPA shall not be material breach of this Agreement, and the termination of the exclusivity under this provision shall be the sole and exclusive remedy of IceCure for the Failure of Full MPA.

(D) In case MPA Exemption is applicable pursuant to Section 9.3(b), Terumo will not be required to purchase such Minimum Purchase Amount so long as IceCure doesn't bring and control any action or proceedings contemplated in Section 9.3 (b), pursuant to same Section. For the avoidance of doubt, if Terumo fails to purchase at the amount of Minimum Purchase Amount in any fiscal year, it shall not constitute a material breach of this Agreement. In addition, Terumo shall not be obliged to purchase any shortfall quantity of Product to meet the Minimum Purchase Amount of such fiscal year.

Exhibit 9.6

PRODUCT TRADEMARKS

Product Trademark includes the following Trademarks in existence as of the Effective Date.

- ProSense
- IceCure
- IceCure logo

Exhibit 21.1

LIST OF SUBSIDIARIES

Company Name	Jurisdiction of Incorporation	Ownership
IceCure Medical Inc.	Delaware	Wholly owned
IceCure Medical HK Limited	Hong Kong	Wholly owned
IceCure (Shanghai) MedTech Co., Ltd.	China	Wholly owned by IceCure Medical HK Limited

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form F-1 of our report dated May 24, 2021 (except for motions described in Note 17.B and 17.C and the effect of the reverse stock split described in Note 17.D, as to which the date is August 9, 2021) relating to the consolidated financial statements of IceCure Medical Ltd. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ *Brightman Almagor Zohar & Co.*

Brightman Almagor Zohar & Co.,
Certified Public Accountants
A firm in the Deloitte Global Network

Tel Aviv, Israel
August 9, 2021